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CO-OPERATIVE SUSTAINABILITY**

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(ICOPRON)**

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**COOPERATIVE GOVERNANCE:
A BEDROCK FOR BUILDING
A BETTER NATION**

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Cooperative Governance: A Bedrock for Building a Better Nation

By

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Abstract

Cooperatives governance plays an important role in achieving the economic and social objectives of cooperatives societies which in turn serves as bedrock for building economically viable and peaceful nation.

However, the potentials of cooperative governance model have received little attention. This article discusses cooperative governance as a key component that determines cooperatives performance and cooperative contribution to building a prosperous nation. It concludes that good cooperative governance model, when properly practised, brings remarkable improvement to the welfare of cooperative members and impacting the development of the nation.

Keywords: - Cooperatives, cooperative governance, Cooperative performance, economic performance, Social performance.

1. Introduction

Cooperative organisations originated as a collective response to a common need (a common bond) that could be met collectively through the principles of self-help and democracy (Rafael, Francisco and Antonia, 2008). Cooperative movements boast of a shared identity and unity of purpose as the only organizational model with internationally recognized definition, values, principles, and a social movement behind it (Birchall, 2004). In the face of growing socioeconomic crisis; unemployment, inflation, insecurity, political and religious intolerance in Nigeria, the cooperative governance model provides an alternative approach to building a prosperous nation. However, the importance of cooperatives in solving the socioeconomic problems confronting the nation has not been fully realised.

Cooperative governance is the act of steering cooperatively cooperative societies and owned enterprises toward economic, Social, and cultural success (Dogarawa, 2010). Cooperative governance aims at achieving economic and social performance, within the context of cooperative societies, and is related to achieving effective translation of cooperative social mission (Hansmann & Kraakman, 2001). This includes members' interests, caring for others, and the general welfare of the community. The main concern of cooperative governance measures is to ensure that social goals of cooperative societies are accomplished (Ntayi, Luganda, & Nkote-Nabeta, 2014). It is unfortunate that many

cooperatives and cooperative leaders have lost focus of this noble aims of cooperative governance and little discussion of cooperative governance reform has occurred, despite the fact that cooperative operate and compete in the same business environment as public corporations.

Incidentally, despite the importance of cooperative governance in improving social and economic welfare development, the expected impact on individuals, societies and the nation are yet to be fully realised. The problem is that many people do not know much about cooperative governance potentials, its mechanisms and role in economic development (Ntayi, et.al, 2014). High level of illiteracy among the leadership of cooperative societies is one of the limiting factors (Dogarawa, 2005).

Against this background, therefore, this paper discusses the potentials in cooperative governance to cooperative societies and as a model for building an economically viable and politically stable nation. The study throws some light on the uniqueness of Cooperatives, Cooperative Governance and its values, how to attain balanced cooperative governance, Cooperatives governance roles in economic development and nation building, as well as issues and challenges in cooperative governance.

2. 0 Cooperatives as a unique organization

The International Cooperative Alliance (ICA) has defined a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" (1CA, 1995). This definition places emphasis on cooperatives being an economic enterprise with socio-cultural responsibilities. The ICA expects cooperatives to be independent of government control and owned by individuals or organizations. Membership is voluntary, and therefore a person may join or leave at will. This feature distinguishes cooperatives from other forms of associations (Afranaa, et. al., 2013).

Cooperatives are designed to meet the economic, social, and cultural needs of their members as defined by the members themselves (Otache, et.al 2022). In traditional cooperatives, members participate on the basis of the one member-one vote principle, and thus the power to decide on residual cost or profit distribution does not depend on the number of capital shares a person owns (Birchall, 2003). Cooperatives usually return surplus revenues (income in excess of expenses and investment) to members. Cooperatives are not motivated by profit, but by the goal to meet their members' needs for affordable and high quality goods or services (Otache, et.al. 2022; Cai, et. al., 2022).

A cooperative is an enterprise characterized by user ownership, user control, and user benefit. Cooperative is unique in that a cooperative is user-owned because the users of the services provided by the cooperative also Own the cooperative organization; a cooperative is user-controlled because the users of its services make decisions on its strategies and policies, and it is also characterized as a user-benefit organization because all the benefits of the cooperative are distributed to its users on the basis of their use of cooperative services; that is, individuals benefit in proportion to individual use (patronage) (Khumalo, 2014).

Cooperatives are managed along democratic lines. Members, for instance, have equal voting rights, equal opportunity to participate in the management and control of the societies and make inputs to policies (Billiet, et.al., 2021). This organization is noted for its easy formation because it does not require much capital or costly legal procedure to bring it into existence. It has continuity because the death of a member does not affect the continuity of this business organization (Iyer et.al., 2021). Advertisement is also not needed in selling the goods and services of the societies since majority of the goods are bought by their members (Tukamuhebwa et.al., 2022). Education benefits are given to members in areas of production, distribution and buying and selling of goods and services through bulletins (Billiet, et.al., 2021). They take decisions and make policies jointly; this infuses a sense of belonging into the members, propelling them to bring out their best (Sacchetti, and Tortia, 2020; Iyer et. al., 2021).

They also encourage members to save and give credit facilities to the needy members. All these help the standard of living of members to improve considerably. Billiet, et. al., (2021) added that cooperatives sell their goods at controlled and stabilized prices, and also regulate the quantity of goods needed. These activities help to fight inflation and deflation.

3.0 Cooperatives Governance

In general, governance can be referred to as the situations or mechanisms of control and regulation within a particular system, group or organization (Leviten-Reid, and Fairbain, 2011). Othman, et.al. (2013), refers to Corporate governance as a complex of rules, standards, procedures and institutions intended to guarantee good and responsible corporate management and to overcome deficits of corporate control. Regardless of its long history, the term governance is now widely used and commonly involves the relations between boards and managers, especially highlighting the proper conduct and exercise of control by the organization's board of directors (Bond, 2009).

In the context of cooperative organisation, governance is of prime importance due to its purpose of upholding integrity of an organisation in fulfilling the purpose for which it was established (Sacchetti, and Tortia, 2020) Cooperative governance, therefore, is the preservation of the cooperative identity for effective delivery of Cooperative purpose. (Othman, 2013). This purpose will include the effective provision and delivery of products and services demanded by the members of the cooperative, within the context of forming their own community.

3.1 Values and Principles of Cooperative Governance

Cooperatives are based on basic values and principles. Cooperative values are general norms that cooperators, cooperative leaders and cooperative staff should share and which should determine their way of thinking and acting (Egia, and Etxeberria, 2019). The values, which are articulated by the ICA in a statement in 1995, include self-help, self responsibility, democracy, equality, equity and solidarity. The values statement further articulates values of personal and ethical behaviour that co-operators actualize in their enterprises.

Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others (Egia, and Etxeberria, 2019).

Most importantly, cooperatives are guided by the International Cooperative Alliance (ICA)' seven cooperatives principles. These cooperative principles are guidelines by which cooperatives put their

values into governance (ICA, 2020). The principles rest on a distinct philosophy and view of society that helps members judge their accomplishments and make decisions (Billiet, et. al., 2021).

Cooperatives governance operate with the following principles

- 1. Voluntary and Open Membership:** Open to all without gender, social, racial, political or religious discrimination.
- 2. Democratic Member Control:** One member, one vote.
- 3. Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of the cooperative. Economic benefits are returned to members, reinvested in the cooperatives or used to provide member services.
- 4. Autonomy and Independence:** Cooperatives are autonomous, self-help organizations controlled by their members.
- 5. Education, Training and Information:** Cooperatives provide education and training so members can contribute to the development of their cooperatives and inform others about the benefits of cooperation.
- 6. Cooperation among Cooperatives:** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, regional, national and international structures.
- 7. Concern for the Community:** Working together for sustainable community development through policies accepted by members.

4.0 Essentials of Cooperative Governance

Guttmann, (2021), observed that good cooperative governance leads to effective monitoring of activities of a society which enhances performance. Puri & Walsh, (2018) noted that cooperative governance regulates the relationship between members of cooperatives and board, representatives of the members. Good Cooperative governance, therefore, must be balanced and capable of achieving the maximum level of economic and social performance compatible with the preservation or development of the cooperative identity, particularly maintaining democratic decision-making principles (Puri, & Walsh, 2018). From that perspective, the great challenge for cooperative governance resides in making compatible; democratic performance, social performance, and economic performance.

Democratic performance means the decisions emanate directly from the General Assembly of members, the fundamental meeting in cooperative governance, and indirectly through the members' representatives on the Board (Sacchetti, and Tortia, 2020). Ownership and control by members, who usually have one vote per person. is a key aspect of cooperatives governance. Democratic Balance exists when the democratic pattern of decision-making is respected.

4.1 Measure of Cooperative governance for democratic balance

Co-operative decision-making is based on interaction and consultation with the Members, State authorities, operational stakeholders and other actors as appropriate and aiming at consensus (Otache et.al.. 2022).

Members have the dual rights to practice: and participate democratically in the decision making on cooperative society's governance (Rafał et.al., 2000). Cooperate governance with respect to

decision making can be measured in many ways.

4.1.1 Monitoring rights:

Monitoring rights in cooperatives are the processes of overseeing the activities and operations in a cooperative society (Chaddad, & Iliopoulos, 2013). Guttman (2021) assert, this procedure makes the Cooperative members gain confidence that their society is operating and managed for their benefits. Monitoring in cooperative society is predominantly led by the management committee members who are elected at annual general meetings to steer the society to success and to ensure development (Billiet et.al., 2021). The management committee has observing tasks such as being responsible for perpetuating their excellence, organizing and handling its own operations while the management committee's actions must be for team- building and to satisfy members' needs (Bond, 2009).

4.1.2 Ratification of management decisions:

Ratification of management decisions includes resolutions that have been implemented prior to the general meeting. The ratification process brings about self-assurance of the society members that their management holds wide consultations and cares for the members (Dasgupta & Serageldin, 2000; Davis, 2001).

Lyer, et.al., (2021) added that the sequence of ratification provides opportunities to the executive management to explain why timely approval is necessary to the members. These new approaches in businesses help members to appreciate the services rendered that accordingly promote performance. Consequently, the executive committee retains formal ratification and monitoring rights which are very crucial for performance (Khumalo, 2014).

4.1.3 Policy compliance

Apart from the compliance to the cooperatives byelaws, cooperatives need a supportive policy framework to be sustainable and viable (Mwanja, Marangu, Wanjere, Kuria, & Thuo, 2014). The committee should therefore, be inventive in devising policies and practices that can provide vital support for effective performance from time to time. In addition, Mwanja et al. (2014) noted that policy compliance can play a pivotal role in paving the way for the development of an independent cooperative movement.

Additionally, policy compliance brings about guidelines that are followed when making decisions for the well-being of the members, and ensures that the utilization of society funds is compliant with the policies set in the society (Leviten-Reid and Fairbain, 2011). Policy adjustment helps in introducing new methods of offering quality services to members (Khumalo, 2014).

4.2 Economic Performance

By economic performance we mean the level of fulfillment of the society's objectives, especially those of providing economic services to members, compatible with the economic stability of the society (Othman,

et.al., 2013). Good cooperative governance ensures economic balance which means that a society is both financially profitable and serves the interests of the members (Dogarawa, 2010).

Economic performance is defined as the progress toward achieving pre-determined economic goals

of the cooperatives (Khumalo, 2014). Members should be committed to make regular savings and borrowing, market their produce, and purchase their inputs through the cooperatives (Otache, et.al., 2022). However, the wide variability in economic performance of cooperatives is a function of their governance (Guttmann, 2021).

Some suffer from a lack of sufficient capital, poor management and/or failure to modernize their operation, lack of adequate supervision by the board, and a general disincentive to behave cooperatively, Overdependence on the government, and serious governance or institutional capacity

Problems (Sacchetti, & Tortia, 2020; Idris, et al. 2021: Tukamuhebwa et al., 2022).

4.3 Social performance

Social performance within the context of cooperative societies is related to achieving effective translation of Cooperative social mission (Hansmann & Kraakman, 2017). This includes members' interests, caring for others, and the general welfare of the community. There have been attempts by several scholars to link Crative governance with social performance (Rafael et.al., 2008; Puri,& Walsh, 2018; Sacchetti, & Tortia, 2020:)

The performance of cooperatives depends on their ability to establish and maintain trust, provide quality services, and social responsibility among members (Dasgupta, et.al, 2000), Chaddad, & Iliopoulos, (2013): kyazze, et.al, (2017) find that there are increasing numbers of cooperatives engaging in activities that demonstrate Social responsibility. Therefore, social performance comprises the idea that a cooperative should involve itself in more than just an economic role in society and should not only take responsibility for its economic actions, but also accept a wider ethical responsibility for the impacts it has on the society and on the environment in which it operates (Nwankwo, et.al., 2012; Kyazze, et.al, 2017).

5.0 Cooperatives Governance roles in Economic Development and Nation building

The promotion of good cooperatives governance can lend to the revival of global economy (Effiom, 2014) Studies have shown that the cooperative governance in Nigeria has aided cooperative societies to accumulate natural resources and promote agricultural export crop and thereby helping to increase the volume of foreign exchange which is needed for economic development and transformation (Dogarawa, 2010; Anigbogu Agbasi, & Okoli, 2015; Sacchetti & Tortia, 2020), This was further confirmed by the assertion of the Cooperative Rating and Award Society of Nigeria (CRASoN), which noted that cooperators in Nigeria Contributed over One trillion Naira to the nation's Gross Domestic Product (GDP) between 2016 and 2019 (Vanguard, 2019). Also, the office of the Federal Director of Cooperatives forecasted that the cooperatives sector in Nigeria shall contribute not less than 30% of Nigeria's GDP by the year 2025. (Inside business news, 2020).

In the face of high inflation, low production and growing unemployment in Nigeria, the cooperative governance model provides an alternative approach to dealing with socio-economic challenges affecting the country. Some of the very important areas of cooperatives intervention in nation building include but not limited to the following:

5.1. Cooperatives improve the quality of life and alleviate poverty

Cooperatives are viewed as important tools for improving the living standard and working

conditions of both women and men. Since the users of the services they provide owned them, cooperatives governance helps make decisions that balance the need for profitability with the welfare of their members and the community, which they serve (Dogarawa, 2005). As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, increased production, higher income and social protection, hence helps many Nigerian households to escape poverty (Efiom, 2014).

These, by extension, improve the wealth of the nation thus increasing the standard of living of the people. The prosperity of a nation therefore, may hinge on the proportion of its population in cooperatives.

5.1.1 Cooperatives directly improve the general welfare within community:

Kyazze et.al., (2017) asserted that cooperatives directly answer community needs. Khumalo (2014) noted that cooperatives, by their governance, are anchors that distribute, recycle and multiply local expertise, resources and capital within localities. It has the capacity to redistribute resources within communities. Also, profits and benefits from cooperatives also circulate within the same community (Iyer, et.al., 2021). If Nigeria will close the inequality gap between the poor and the rich among her citizens, proliferation of cooperatives is an answer.

5.1.2 Cooperatives governance help build peaceful societies.

Cooperatives governance ensures peaceful societies by promoting understanding and collaboration among people of different cultural and income backgrounds. In the process of cooperatives business operations, cooperatives contribute to social life and interpersonal relationship of the community (Nwankwo, 2012).

Gender related issues, religion and ethnic discriminations as well as inequalities are surmounted in cooperatives for healthy relationship among members, and this in turn helps to build peaceful societies and by extension the nation. Puri and Walsh, (2018) also affirmed that nations are more likely to stay peaceful if inequalities and discriminations are overcome.

5.1.3 Cooperatives enable farmers and other members to obtain higher returns.

A cooperative is a special form of economic organization spontaneously formed under the condition of market economic systems (Cai, et.al., 2022). It organizes individual farmers into action groups to overcome production and market restrictions and solves the shortcomings of small farmers' fragmentation and dispersion. It is an ideal organizational form for agricultural producers to improve farm income (Anigbogu, et.al., 2015). Multi-purpose and credit cooperatives provide small loans to their members. These loans go to self-employment, offering an opportunity for better wages through retail shop keeping, farming or livestock (Efiom, 2014).

5.2 Cooperatives strengthen the communities in which they operate.

Cooperatives by its governance strengthen the communities in which they operate by providing locally needed services, employment, circulate money locally and contribute to a sense of community or social cohesion.

Idris, et.al., (2021) noted that cooperatives are playing an important role, support job creation and prevent job losses, in a nation like Nigeria that is undergoing periods of crisis. While, Dogarawa,

(2010) found that cooperatives have contributed to job creation in the recent financial crisis and other periods of economic turmoil. Cooperatives therefore, help build sustainable communities especially in rural nation like Nigeria

5.3 A good platform for government interventions

Cooperatives can serve as a medium for government to implement policies targeting at certain areas of the economy especially the rural or agricultural development. Government can take advantage of cooperatives governance to implement policies on youth development, especially on job creation and skill acquisition. For example, the Rice for Job, Poultry estate and Fish estate programmes of Lagos State Government were executed and promoted through cooperatives.

5.4 Reduce investment risk

Cooperatives can enhance the risk mitigation role they play for their members in two ways (a) the cooperatives can mitigate its own risk directly with capital market innovations that shift or share its systemic risk exposure, and (b) the cooperatives can offer insurance directly to its members to cover each member independent risk (Khumalo, 2014). Cooperatives have been able to put measure in place to prevent production risk, market risk, and credit risk especially, price fluctuation.

5.5 Source of investment Capital

The credit and thrift cooperative society encourages its members to save their money. This saving can be a good source of investment capital for many members. Hence, cooperatives help to overcome the barriers of bureaucracy, high interest rate, need for collateral and complex documentation of commercial banks.

Consequently, many small and medium scale entrepreneurs have a success story to tell. A country like Nigeria with high estimated unemployment rate of 33 percent can therefore, still recover.

5.6 Tackling insecurity and social menace

One of the main challenges of our nation in the recent years is insecurity of lives. The insecurity problem stemmed from the high rate of youth unemployment and more importantly, the inability of the country to identify Nigerian and protect them from foreign invaders. Cooperative governance provides for proper identification of every member through the issuance of a membership unique number. Members' integrity and source of livelihood are of ethical consideration in cooperatives. Hence, it is easy to monitor and influence the character of members. Insecurity in the country can therefore be addressed by encouraging citizens' participation in cooperatives.

6.0 Issues and Challenges in Cooperative Governance.

There are many problems that seem to and hamper the effective cooperative governance in cooperative organizations. Cooperative movements need to tackle the problems by themselves together with the government. Many earlier studies on cooperatives have identified some of the issues and challenges of cooperative governance to include: Financial constraints which make it very hard for cooperatives to get sufficient capital to fund their activities, (Othman et.al., 2013; Afranaa et.al., 2013). Anigbogu et. al, (2015):

Identified Poor literacy level among executives and members as a big challenge to understand what is happening when it comes to paper work.; Also, Othman et.al., (2013) noted the failure to

demarcate the functions of board from the managers. By right, members of the board are responsible with strategic matters and not with those related to operational issues (Bond, 2009). Lack of adherence to cooperative governance principles can be serious challenge to cooperatives success. Rafae et.al., (2008) asserted that such problem makes unscrupulous and irresponsible people in the society take advantage by collecting investments and deposits for their own personal gain.

Furthermore, Othman et.al., 2013 identified unguided electoral procedure. Members of the board are prone to be selected in the general meeting based on one's popularity rather than one's integrity, managerial expertise and experience (Othman et. al. , 2013). More so, often time the internal auditors do not carry out their responsibility nor do they highlight and report any discrepancies or deficiencies of the cooperative's system that they come across, this result in poor governance, (Davis, 2001). In another study by Mwanja, et.al..(2014), asserted that poor loan administration introduces weakness to the cooperative governance and makes loan recovery difficult. Whereas, Efliom, (2014) noted corrupt committee members as a challenge. Societies with dishonest, disloyal and uncommitted board members will often experience embezzlement shaded by inefficient and effective operations.

Other issues resulting in poor cooperative governance are inappropriate delegation of authority, failure to oversee and supervise operations, neglecting of assets, low board members turnover, failure in asking the right questions", isolation of the board members from the staff and programs, poor internal controls and lack of appropriate of check and balance in practices and procedures (Suruhanjay, 2010; Efiom, 2014: Puri, & Walsh, 2018; Sandoval, 2019).

Conclusion and Recommendations

Cooperative governance is of prime importance due to its purpose of upholding the integrity of cooperatives and preserving the cooperative identity. Hence, cooperative governance promotes and achieves cooperative balance; this is compatible mix of democratic performance, social performance, and economic performance for the prosperity of individual members and the society. Cooperative governance is void of divisible sentiments such as religion, tribalism, gender discrimination and so on that characterized our nation today.

Cooperative governance model, when properly practised brings remarkable improvement to the welfare of the members and by extension growth to the nation.

The study, therefore, recommends that better cooperative governance requires a better educational level of board members. Cooperatives should encourage educated members who have managerial skill and well familiar with cooperative activities to actively participate in the leadership of the society. Furthermore, there should be regular training and retraining of cooperatives operators to be able to cope with the changing/dynamic world economy. Also, cooperatives governance must adhere to the principles of cooperatives for success.

Importantly, women folk should be encouraged to be among board members for good governance. Women inclusion in leadership is not only for the sake of equality but also for governance and performance, where women are expected to add a diversity of skills and opinions to the male-dominated boards.

More so, cooperatives may face conflicts between stakeholders due to overlaps in responsibilities,

individual differences in personality, and resource allocation. Such conflicts may have a negative effect on cooperative governance and performance; hence, Secondary cooperatives and government monitoring agencies should not be slack in their oversight functions. And lastly, Government should take advantage of the cooperative governance model to implement policies on welfare improvement, job creation, and improvement in standard of living of citizens, youth and women empowerment as well as rural development. Cooperative governance model is based on principles and it is driven by objectives, therefore, will ensure accountability, proper monitoring, and overall success of such government policies.

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CONTRIBUTION OF COOPERATIVE SOCIETIES IN THE DEVELOPMENT OF YOUTH IN DUNUKOFIA LOCAL GOVERNMENT AREA OF ANAMBRA STATE, NIGERIA

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ABSTRACT

This study examined the contribution of Cooperative Societies in the development of Youth in Dunukofia Local Government Area of Anambra State, Nigeria. The specific objective of the study was to ascertain the exposure of the Youth to development activities before and after joining the cooperative societies as it is believed that Cooperative Societies are veritable tool for Youth development. Respondents were drawn from members of six (6) selected Cooperative Societies. Primary data were sourced through questionnaires administered on 159 members, while secondary data were gotten from literary works, other documents and available literature. Data were analyzed descriptively using means; percentage, 5-point likert scale, chi-square and z-test technique was adopted in testing the hypotheses. The study found that there is a positive relationship between the activities of the cooperative societies and youth development in the study Area. There is also a significant influence in the exposure of Youth to development activities before and after joining as members of Cooperative Society. It was recommended that Government should provide enabling environment for Cooperative Societies to strive through their policies and programmes and Youth development Programmes should be conducted under the platform of Cooperative movement not only in the study Area but Nigeria in general.

INTRODUCTION

The problem of youth development has received the attention of many experts and researchers' organizations such as United Nation Organization (UNO), International Labour Organization (ILO), United Nations International Children's Emergency Fund (UNICEF), World Health Organization (WHO), Non-Governmental Organization (NGO) as well as the government. This is because as declared by the National Youth Policy (2010), they constitute an invaluable asset of the nation, because of courage, innovativeness, inquisitiveness and high level of self-confidence, which is also considered to be a main source of nation building. They are not only a vital source of the state but also a change agent, the youths are pioneers of economic, social, political and cultural transformation and change driving force.

Youth development as captured in National Youth Policy (2004-2014), is an intentional comprehensive approach that provides space opportunities and support for young people to maximize their individual and collective creative energies for personal development as well as development of the broader society of which are an integral part (NYP, 2014).

Youth development traditionally is still most widely used to mean a natural process, the growing capacity of a young person to understand and act on the environment. In this usage, it is identical to child or adolescent development. Human development is the natural unfolding of the potential inherent in the human organism in relation to the challenges and support of the physical and social environment (Hamilton, 2004). The United Nation Organization (UNO) defines youth as those persons between the ages

of 15-24 years, without prejudice to other definition by member states. They went on to declare that young people between the ages of 15-24 represent approximately 18% of the global population nearly 1.2 billion people. They also declare that eighty seven percent (87%) of youth live in developing countries, sixty two percent (62%) of youth live in Asia, and seventeen percent (17%) of youth live in Africa. As members of societies, youth deserve full access to education, adequate health care employment, financial service, participation in public lives.

Incompetence and lackadaisical approach to life have formed the corpus of the conception or misconception of youth as been incapable by default. The Nigeria youth policy defines youth as all young persons of the age (18-35) years. The youth are the backbone of the development of the country. The pertinent question now is whether in its typical manifestation, Nigerian youth have completely measured up to the standard so magnificently set by the policy or whether as a one-time head of state commented, "they are incapable of handling leadership", characterised by Youth restiveness, and they are delimited to have a flair for quick money and fast life (Adebayo, 2013). Research has shown that productivity and creativity level of youth population is very high when compared to the elderly aged grade. As such, answers to many problems facing the country can be addressed by the Nigerian youth. The Nigerian youth is both the greatest assets of the country as well as its daunting challenge. The youth represent the greatest potential that Nigeria is while equally presenting the depth of the challenge of breaking through the confines of underdevelopment. Accounting for almost 50% of the population, it brims over with energy and creativity. However, a significant proportion of the Nigerian youth is misguided, democratized and confused. Some of them have involved in criminal activities. Yet the youth is what enables the population to dream of a better tomorrow, to work very hard to build a dynamic system that their generation and future generation will be proud of. (Adebayo, 2013).

Helms (2005) on the side of Cooperative, defines

Co-operative Society as an association of persons who have voluntarily joined together to have a common end through the formation of a democratically controlled enterprise, making equitable contribution to the capital required and accepting a fair share of the risk and benefit of the undertaking in which the member activity participate. On the other hand, it could be seen as a voluntary association of persons having mutual ownership in providing themselves some needed service on non-profit basis usually organized as a legal entity to accomplish objectives through joint participation of its members. As it is, the problems faced by youth in Nigeria today are complex.

Cooperative environment provides working conditions more favorable to youth engagement than to other organizational forms because of its democratic governance structure and organizational aims which go beyond profit maximization.

Young people have the opportunity to develop social consciousness and attain a sense of self-actualization through their democratic governance; cooperative societies also explore young members to democratic values and culture. The experience attained through engaging with an environment of accountability and solidarity gives young people the confidence to take on leadership roles in various contexts even beyond the cooperative movement.

Cooperative enables young people to explore different working and leadership roles and to get involved in decision making processes and multi-stakeholder dialogues. Co-operative is a vital network of thrust in every community in this world. Place where it has been properly put into effective operation, its members have greatly achieved from it (Abdulkarim, 2010).

Statement of Problem

Perhaps, the major problem confronting the youth today is unemployment which leads to high rate of poverty. World Bank (2013) confirms 112 Million Nigerians living below poverty line. This followed another depressing disclosure by the World Bank, which said that the population of

Nigerians in poverty has increased considerably and significantly. The figure represents about sixty seven percent (67%) of the entire population. In spite of all the orchestrated policies and programmes of successive government in Nigeria as well as several works and researches conducted by various authors and organization, the Nigeria youth still leave a lot to be desired. Such programs which range from in school education programme for physical and mental development of out of school programmes aimed at shaping the character and behavior of the youth, as well as promoting competitive spirit and national unity and integration.

The in-school programmes which include the formation of clubs, encouragement of sporting activities and other outdoor activities, with discipline instilling organization such as boy scouts girls guide and man-o-war as well as various theories and practices design to stimulate and bring about development of youth in various areas such as attitude empowerment, skills acquisition, decision making, employment opportunity, e.t.c. Other challenges as indicated by world youth report 2005, that 200million youth lives on less than US\$1 per day 130million are illiterate, 10million live with HIV and 88million young people are unemployed. A lot more need to be done to empower the youth, re-energize them and get them seriously involved with the task of nation building and socioeconomic development.

According to the Nigeria Youth Policy (2009-2014), Past attempts at addressing the problems of the youth were characterize by much rhetoric and little in terms of concrete action and the little that was being done lacked focus such that the result was marginal, when not counterproductive. The nature of the social political and economic environment which had prevailed in the country imposed serious constraints in terms of meeting the needs and aspiration of the youth. Indeed, historically, it can be said that Nigeria youth have suffered neglect than encouragement. Contemporarily they suffer from different kinds of socioeconomic deprivation and affliction, intensified by acute economic crises.

In the light of these problems, the researcher wants to probe into the activities of co-operative societies to know whether they are contributing towards the development of youth with a particular focus of Dunukofia Local Government area of Anambra State.

Objectives of the Study

The general objective of the study is to examine contribution(s) of Co-operative Societies in the development of the youth in Dunukofia Local Government Area of Anambra state.

The specific objectives are to:

- i. Ascertain the exposure of the Youth to development activities before and after joining the cooperative societies.
- ii. Proffer suitable recommendations for promotion of Youth Development in the Study Area.

Research Question

- i. How exposed are the youth to development activities before and after joining Cooperative Societies?

Statement of Research Hypothesis

H₀: There is no significant positive relationship between the contribution of the cooperative societies and youth development.

LITERATURE REVIEW

Concept of Cooperative

The International Cooperative Alliance (ICA) in its Statement on the Cooperative Identity, in 2012, defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” It is a business voluntarily owned and controlled by its member patrons and operated for them and by them on a nonprofit or cost basis (UWCC, 2002). It is a business enterprise that aims at complete identity of the component factors of ownership control and use of services with the core values of democratic Principles, common identity, equity, honesty and fairness (Laidlaw, 2019).

Food and Agricultural Organization (FOA) 2003, put it that there is no other globally tested system on the horizon than cooperative.

According to Ogbu (2007), the word cooperative is a collective noun as well as the cooperative society. Cooperative which means to work together among a group of persons originated from time immemorial. It means more than people working together to achieve commonly felt need. Hence it is as old as man otherwise, instinctive.

Concept of Youth and Development

Youth is best understood as a period of transition from the dependence of childhood to adulthood independence as members of a community. Youth is more fluid category than a fixed age-group. The United Nation Organization (UNO) defines youth as those persons between the ages of 15- 24 years, without prejudice to other definition by member states. They went on to declare that young people between the ages of 15-24 represent approximately 18% of the global population nearly 1.2 billion people. 87% of youth live in developing countries, 62% of youth live in Asia, 17% of youth live in Africa. As members of societies, youth deserve full access to education, adequate health care, employment, Welfare financial services, participation in public lives.

According to National Youth Development Policy (2009-2014) refers to young people as those falling within the ages of 14 to 35 years.

Youth has been defined as a period in an individual's life which runs between the end of childhood and entry into the world of work (Onuekwusi and Effiong, 2012).

On the other hand, development is captured as a multidimensional process involving major changes in social structures, popular attitude and national institution as well as the acceleration of economic growth. Development is perceived as a process that leads to increase capacity of people over material asset intellectual resources and ideology and obtain physical necessities of life (food, clothing and shelter) equality in employment, participation in government

political and economic independence, adequate education gender equality sustainable development and peace. (Igbuzor, 2006). It involves eradication of absolute poverty among the citizenry and represent a continuous change involving re-organization, re-orientation of the social, economy and entire system (Ogunlela and Mukhtar, 2016). It cannot be completed without colossal radical changes in institutions social administration structure as well as potential attitude, customs and beliefs (Thomson, 2012). All these can be pivotally be achieved through Cooperative movement which had indoctrinated all these development processes as their core values and principles.

Role of Cooperative society in the Development of the Youth

The International Cooperative youth statement 2012 was presented to United Nation during closing ceremonies of International Year of Cooperative 2012, and which highlighted the challenges of youth to be unemployment, disempowerment and disengagement. Through involvement in cooperative, young people can work together with government civil societies and other stakeholders to overcome these challenges which impedes it development.

The roles of cooperative in the development of the youth are:

- Cooperative should value indigenous/traditional agricultural knowledge and practices while also promoting innovation to stimulate youth interest in agriculture.
- Cooperative enables young people to build self-confidence through allowing individual and team achievement. By;
- Pursuing avenues for productive self-employment through the pooling of knowledge and resources and improve access to market and productive resources.
- Develop leadership skills for taking over responsibility within and beyond the cooperative sector.
- Explore and master various working

situation and develop problem solving skills which institution of formal education may often fail to transmit.

- According to the international fund for agricultural development (IFAD) and the international movement of catholic agricultural and rural youth (MISARC), cooperative should become youth sensitive particularly in their representation and governance.
- Cooperative enables young people to explore different working and leadership roles and to get involve in decision making producers and multi-stakeholder dialogues. Young people can become creative in cooperative environment which enable them to develop their entrepreneur and managerial capacities
- Cooperative environment provides working conditions more favorable to youth engagement than to other organizational forms because of it democratic governance structure and organizational aims which go beyond profit maximization.
- Provision of income, employment and the development of employment skills finally, cooperative are important agent of financial economic community and human development.

According to the International Labour Organization 2012, close to 75million young people were out of work and it was estimated that cooperative provide 100million jobs world-wide. Although the exact proportion of youth in the total is difficult to determine.

Cooperative is clearly a significant source of employment creation. The scale and impact of the current youth employment crisis on the future of young people and societies is a call for immediate action. While Cooperatives are already playing the role in helping young people take their destiny into their own hands there is great potential for further development.

Empirical Literature

Helms (2015) investigated the role of Cooperative Societies performance in

promoting developmental skills of the Youths in Kenya Central District. The study utilized the ADF unit root test, co-integration test and vector error correction model. The study revealed that Cooperative Societies have a positive impact on the promotion of developmental skills amongst the Youths.

Berko (2009) studied Creating Youth Employment opportunities through the National Directorate of Employment (NDE) in synergy with Cooperative Societies in Nigeria from 1986 to 2009. The study adopted simple descriptive statistics using secondary data. Findings showed that the programme was saturated with high number of ghost trainees/ Youth and it was recommended that the Federal government should place Cooperative societies in fore front of handling the mandate of Youth employment creation opportunities in Nigeria.

Theoretical Frame work

The Application and relevance of Theory That All Youth Thrive

The positive orientation is best understood in contrast to what has been the conventional problem focus of many programs for youth, especially those funded by the federal government. Dryfoos who propounded this theory in 1990. According to him, the division of funding and programs among four major types of problem behavior are: teenage pregnancy, substance abuse, delinquency, and school failure, because each problem is the domain of a different agency and the source of categorical funding, local prevention and treatment programs mirror of the federal structure. Each draw on funding from its own federal agency and applies it to trying to prevent or treat the designated problem in a targeted set of youth, typically those considered at risk of the problem. The system is so well established that each problem also has its own researchers and research literature. In addition to demonstrating a lack of connection among these different enterprises, Dryfoos went on to show that, according to the research in each one, the presumably separate problems and solutions were actually quite closely related. This insight illustrated how shortsighted it is to

consider and try to alleviate youth problems (or any human problems) one-at-a-time. Drugs, alcohol, risky sexual behavior, delinquency, school failure, and other problems which are usually associated with the youth are best conceived as part of a “problem behavior syndrome” that often has common roots and is best treated as a whole.

Application and Relevance of Collective Action Theory to the Study

The application of this theory to the study unravels the relevance because it offers Youth the ideal solution to undertake a collective action (formation of Cooperative Societies) especially when injustice in the application or implementation of the dividends of democracy or governance does not reflect equity, no communication is allowed and the free rider problem.

METHODOLOGY

Area of the Study

The area of study is Dunukofia Local Government Area of Anambra state Nigeria. Dunukofia is one out of the 21 Local government Areas of Anambra State, with its headquarter at Ukpo. Towns that make up the Local Government Area are; Ukpo, Ifitedunu, Umunachi, Umudioka Ukwulu, and Nawgu. It shares boundaries with Awka North, (by the north) Idemili North, by the (south) Njikoka and Oyi local government. The population is predominantly agrarian but major inroads have been made in commerce and education. Population density is high and among the highest in Nigeria. There are general hospitals at ifitedunu and ukpo. There are also several high schools for boys and girls. Dunukofia is among the most accessible Local Government in Anambra State with federal and state roads crossing it at different points. St marry high school located at Ifitedunu is categorized as one of the oldest post primary schools in Anambra state. Noticeable cultural activities in the local government area include; masquerade dance, new yam festival.

Population of the Study

This study aimed at assessing the contribution of cooperative societies in the development of the youth within Dunukofia Local Government Area in Anambra state. The population of registered cooperative societies in Dunukofia Local Government Area of Anambra state is 116. However, at the time of the study, only 60 were active and viable as supplied by the Divisional Cooperative officer (D.C.O). The membership of the 60 active cooperative societies was 2880. These constitute the population of the study.

Sample size and Sampling Techniques

The researcher made use of multiple approaches. The study centered on Dunukofia Local Government Area. The towns which make up the Local Government Area are; Ukpo, Umunachi Udioka Ukwulu and Nawgu. The researcher also made use of judgmental sampling Technique to select the cooperative societies from three (3) towns which cut across centers of North, East, South and West in the locality of Dunukofia Local Government. Therefore, the only sample for the study will be some selected cooperative societies from randomly chosen communities in the locality of Dunukofia Local Government Area. Out of sixty (60) active cooperative societies in Dunukofia Local Government Area, six (6) cooperative societies are selected from three (3) towns; Umunachi, Ukpo, Nawgu. A random sampling approach was adopted to select the respondents. The respondent include; employees, management committee, officials and members of the cooperative society.

Table 1.

S/N	Names of Cooperative Societies	Town Located	Number of Members
1	Nneamaka Umunachi Mutipurpose Cooperative Society (MCS)	Umunachi	45
2	Kosiso Chukwu Umunachi Multipurpose Cooperative Society (MCS)	Umunachi	48
3	Dunukofia Famers Cooperative Association (FCA)	Ukpo	60
4	Ngene Nagwu Multipurpose Cooperative Society	Nawgu	55
5	Eziamaka nawgu women multipurpose cooperative society	Nawgu	30
6	Productive hands Ukpo F.M.C.S l.t.d	Ukpo	25
Total			263

In determining the sample size, from the total population, it will be difficult to access the entire population due to largeness of the population. Therefore, the Taro Yamane Techniques was adopted for this research work in order to determine the sample size.

$$\text{Thus; } n = \frac{N}{1 + N(e)^2}$$

Where;

N - Population of the study

n- Sample Size

e - acceptable error limit (5%) I - mathematical constant

$$\text{Note } (e) = \frac{0.05}{263/1 + 263} (0.05)^2$$

$$= \frac{0.0025}{263/1 + 263}$$

$$= \frac{0.0025}{263/1 + 0.6575}$$

$$= \frac{0.0025}{1.6575}$$

$$= 158.6$$

Approximately = sample size is 159

Bowler's Formula shown below was used to obtain the sample size from each cooperative society by appropriating the members to the cooperative society.

$$\text{Thus; } nh = \frac{nNh}{N}$$

Where nh = Number of membership of each Cooperative Societies n = Sample size

Nh = Number of the item in each Cooperative Societies N = Population size

Nneamaka Umunnachi Multipurpose Cooperative Society

$$= \frac{159 \times 45}{263} = 28.263$$

Kosiso Chukwu Umunnachi Multipurpose Cooperative Society

$$= \frac{159 \times 48}{263} = 29.263$$

Dunukofia Farmers' Cooperative Association (FCA)

$$= \frac{159 \times 60}{263} = 36.263$$

Ngene Nagwu Multipurpose Cooperative Society

$$= \frac{159 \times 55}{263} = 33.263$$

Eziamaka Nawgu Women Multipurpose Cooperative Society

$$\frac{159 \times 30}{263} = 18$$

$$263$$

Productive Hands Ukpo F.M.C.S Limited $\frac{159 \times 25}{263} = 15$

$$2$$

Method of Data Analysis

For easy understanding of the study, descriptive statistics involving mean, simple percentage were employed in the analysis of the objective. Also chi-square (χ^2) will be used to test the null hypothesis one (H_{01}) while Z-test will be applied to test the null hypothesis (H_{01}) The formula for the χ^2 is as follows:

$$X^2 = \frac{(f_o - f_e)^2}{f_e}$$

Where f_o = Observe frequency

f_e = Expected frequency

= summation of all items

Formula for expected frequency (f_e) = $\frac{RT \times CT}{GT}$

Where: RT= Row total of responses, CT= Column total of responses, GT= Total of responses

To calculate the degree of freedom (DF)

The number of degrees of freedom for this type of test is obtained as follows: (r-1) (c-1) where r= number of rows, c= number of columns

Level of significance used is 5% i.e. 0.05, this is given level of significance under which the calculated x^2 is studied.

Decision Rule

If the calculated value of x^2 is greater than the critical or table value of x^2 , reject the null hypothesis one (H_{o1})

Z-test will be applied to test the null hypothesis two (H_{o2}). The reason for the application of Z- test is because the sample size is greater than 30 (i.e $n > 30$)

The formula for Z-test is

$$Z = \frac{\bar{x}_1 - \bar{x}_2}{SD_x}$$

Where SD_x = standard error of difference between means.

$$SD_x = \sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}$$

n_1, n_2 and S^2 = Variance of group Therefore Z

$$= \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}}$$

DECISION RULE:

Reject H_{o1} if the calculated Z is less than - 1.96 or greater than 1.96. Do not reject H_{o2} if otherwise (i.e. do not reject H_{o2} if Z calculated lies between - 1.96 and 1.96).

DATA ANALYSIS

Table 2: Distribution of Respondents by the Extent Members were exposed to Developmental Activities before they joined the Cooperative Societies

S/n	List of Youth Developmental activities	To a very great extent (5)	To a great Extent (4)	To a low extent (3)	To a very low extent (2)	Not at all (1)	Average (X)	Remarks
i	Crop production (rice milling, wheat, maize)	3 *15	13 *52	57 *171	47 *94	39 *39	2.3	Fair
ii	Confectionery (bread baking, cake, sweet.)	0 *0	32 *128	47 *141	59 118	21 *21	2.6	Fair
iii	Processing (garri, flour, starch, milk)	35 *175	39 *156	23 *69	29 *58	33 *33	3.0	Fair
iv	Soap making	0 *0	13 *52	48 *144	59 *118	39 *39	2.2	Fair
v	Vocational training	0 *0	3 *12	67 *201	53 *106	36 *36	2.2	Fair
vi	Poultry farming	37 *185	43 *172	36 *108	33 *66	10 *10	3.4	High
vii	Information communication technology (computer skills)	0 *0	0 *0	67 *201	59 *118	33 *33	2.2	Fair
viii	Fishery	44 *220	49 *196	34 *102	21 *42	11 *11	3.6	High
ix	Palm oil production (palm kernel cracking)	0 *0	4 *12	56 *168	49 *98	50 *50	2.1	Fair

The Table 2 above indicates the response of the cooperative members on the extent to which they are exposed to the developmental activities engage by the society before they joined the cooperative society. Adopting the five point likert scale for nine identified developmental activities, the responses of the 159 members were multiplied with the likert scale point (to a very great extent- 5; to a great extent-4; to a low extent-3; to a very low extent-2; not at all-1). The summation of the points (in asterisk) was divided by the number of members (159) to give the average (x) point as indicated in the remark score. This point indicates the extent to which members are exposed to the developmental activities engaged by the society before they became a member.

Five points was divided into 3 parts in progression of:

0- 1.6 (low response remark)

1.7 - 3.3 (fair or average remark)

3.4 - 5.0 (good or high remark)

This was use as a basis for ranking the remarks. The remark was deduced by the addition of the Average (x) divided by the number of items on the table (i.e. 9) and total average remark is 2.6. This implies that members are "fairly "exposed to the developmental activities engaged by the society before their membership.

Table3: Distribution of Respondents by the Extent Members were exposed to the Developmental Activities after they joined the Society

Developmental Activities after they joined the Society activities

S/n	List of Youth Developmental activities	To a very great extent (5)	To a great Extent (4)	To a low extent(3)	To avery low extent (2)	Not at all(1)	Aver age (X)	Remarks
i	Crop production (rice milling, wheat, maize)	49 *245	63 *252	18 *54	21 42	8 *8	3.8	High
ii	Confectionery (bread baking, cake, sweet.)	45 *225	67 *268	29 *87	18 *36	0 *0	3.9	High
iii	Processing (garri, flour, starch, milk)	56 *280	61 *244	19 *57	23 *46	0 *0	3.9	High
iv	Soap making	31 *155	28 *112	39 *117	47 *94	14 *14	3.1	Fair
v	Vocational training	43 *215	55 *220	30 *90	27 *54	4 *4	3.7	High
vi	Poultry farming	46 *230	57 *228	25 *75	27 *54	4 *4	3.7	High
vii	Information communication technology (computer skills)	*0	0 *0	66 *198	73 *146	20 *2	2.3	Fair
viii	Fishery	37 *185	51 *204	22 *66	36 *72	13 *13	3.4	High
	(palm kernel craking	*130	*172	*105	*74	*18		

*Multiple of likert scale measure and number of respondent Sources: field survey, September, 2021

From the Table3 above,the response of the cooperative members on the extent to which they are exposed to the developmental activities engage by the society after they joined the cooperative society. Adopting the five point likert scale for nine identified developmental activities, the responses of the 159 members were multiplied with the likert scale point (to a very great extent- 5; to a great extent-4; to a low extent- 3; to a very low extent-2; not at all-1)

The summation of the points (in asterisk) was divided by the number of members (159) to give the Average (x) point as indicated in the remark

score. This point indicates the extent to which members are exposed to the developmental activities engaged by the society after they became a member.Five points was divided into 3 parts in a progression of:

0- 1.6 (low response remark)

1.7 - 3.3 (fair or average remark)

3.4 - 5.0 (good or high remark)

This was used as a basis for ranking the remarks.

The remark was deduced by the addition of the Average (x) divided by the number of items on the table (i.e. 9) and total average remark is 3.4.

This indicates that members are "highly" exposed to the developmental activities engaged by the society after their membership

Table 4: Distribution of Respondent by the Extent in Which Cooperative Society has influenced their Development.

Options	Responses	Percentage (%)
To a very great extent	40	25
To a great extent	57	36
To a low extent	31	19
To a very low extent	23	15
Not at all	8	5
Total	159	100

Sources: field survey, September, 2022

The Table 4 above reveal that majority 57(36%) of the respondent agreed to a great extent that cooperative society has influenced their development, 40 (25%) of the respondents agreed to a very great extent, 31(19%) agreed to a low extent, 23(15%) agreed to a very low extent while 8(5%) agreed to not at all. From the above calculations, it shows that most of the respondents agreed to a great extent that cooperative has influenced their development.

HYPOTHESES TESTING

The following hypotheses shall be tested using chi- square and z-test statistical tool.

H₀₁: there is no significant change in the exposure of youth to development activities before and after joining cooperative societies.

Solution:

From the nature of the question, it is a two-tail test because it is non directional.

Level of significance = 0.05. This value will be split into 2 because the test is two-tailed test.

The Z-test will be used to test the above hypothesis by comparing the level of exposure of youth to development activities before and after their membership of cooperative societies.

Extent of Exposure of Youth to Development Activities Before and After their Membership of Cooperative societies

Table 5: Responses of Members Before and After

S/n	List of Youth	To a very great extent	To a great extent	To a low extent	To a very low extent	Not at all (1)	Mean of	Standard
	developmental activities						$\frac{\sum fx}{n}$	$\sqrt{\frac{\sum fx^2}{n} - (\frac{\sum fx}{n})^2}$
i	Crop production (rice milling, wheat, maize)	3(49)	13(63)	57(18)	47(21)	39(8)	2.3(3.8)	5.567(6.034)
ii	Confectionery (bread baking, cake, sweet.)	0(45)	32(67)	47(29)	59(18)	21(0)	2.6(3.9)	5.479(66.38)
iii	Processing (garri, flour, starch, milk)	35(56)	39(61)	23(19)	29(23)	33(0)	3.0(3.9)	8.575(6.179)
iv	Soap making	0(31)	13(28)	48(39)	59(47)	39(14)	2.2(3.1)	5.248(6.961)
v	Vocational training	0(43)	3(55)	67(30)	53(27)	36(4)	2.2(3.7)	6.189(6.194)
vi	Poultry farming	37(46)	43(57)	36(25)	33(27)	10(4)	3.4(3.7)	6.698(4.273)
vii	Information communication technology (computer skills)	0(0)	0(0)	67(66)	59(73)	33(20)	2.2(2.3)	5.557(4.563)
viii	Fishery	44(37)	49(51)	34(22)	21(36)	11(13)	3.6(3.4)	6.435(7.129)
ix	Palm oil production (palm kernel cracking)	0(26)	4(43)	56(35)	49(37)	50(18)	2.1(3.1)	4.436(4.992)

From table 5 above, the first figures (not in parenthesis) represent the responses of the members on their exposure to development activities engaged by the society before their membership while the figures in parenthesis represent the responses of the members on their exposure to development activities engaged by the society after their membership. The table also displays the average and standard deviation of member's response of exposure to development activities before after their membership. The first figures (not in parenthesis) represent the average and standard deviation of responses of the members on their exposure to development activities engaged by the society before their membership, while the first figures in parenthesis represent the average and standard deviation of responses of the members on their exposure to development activities engaged by the society after their membership.

To a very great extent	= 5 points
To a great extent	= 4 points
To a low extent	= 3 points
To a very low extent	= 2 points
Not at all	= 1 points

Computation of Z-test

Solution:

From the nature of the question, it is a two-tail test because it is non directional.

Level of significance = 0.05. This value will be split into two (2) because the test is two-tailed test. From the z- table = $z_{0.05/2} = z_{0.025} = 0.5 - 0.025 = 0.4750 = 1.96$ inside the table. This is traced to 1.9 on the z-column against 0.06 on the z-row giving 1.96 as the z-value on the right or -1.96 as the z-value on the left. So, any calculated value of z greater than 1.96 or less than -1.96 will fall in the rejection region and in that case the null hypothesis will be rejected.

The value is assigned to the 2 sides of the tail as -1.96 and 1.96 respectively (as shown in the figure above)

Therefore $Z = \frac{x_1 - x_2}{\sqrt{s_1^2/n_1 + s_2^2/n_2}}$

$Z = \frac{2.6 - 3.4}{\sqrt{(6.020)^2/159 + (12.523)^2/159}}$

$Z = - 73$

$Z_{table} = +/-1.96$

Decision rule:

Reject H_0 , if the calculated Z is less than - 1.96 or greater than 1.96. Do not reject H_0 , if otherwise (i.e. do not reject H_0 , if Z calculated lies between - 1.96 and 1.96).

Since $[Z_{cal}] < [Z_{table}]$

We reject H_{01} and accept H_{A1} Therefore, there is a significant change in the exposure of youth to development activities before and after their membership of cooperative societies.

FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

- The study revealed that there is a positive relationship between the activities of the cooperative societies and youth development in the study Area.
- There is also a significant influence in the exposure of Youth to development activities before and after joining as members of Cooperative Society. The major development activities engage by cooperative societies were crop production (19%)

Conclusion

Cooperative Societies are finding it difficult in meeting and enhancing a very good percentage of their development activities. Promotion and Encouragement could be a significant indicator that can effectively mobilize cooperative group to attract government presence to assist the group. This has been the reason why cooperative society have existed in isolation to government assistance which is a hindrance to effective performance by cooperative societies in discharging its development activities.

It is therefore believed that if the recommendations of this study will be implemented by both members, committee members of the society and the

government, it will aid the cooperative society in effectively contributing to youth development.

Based on the findings and conclusions of the study, the following recommendations were made towards effective contributions of cooperative societies to youth development.

Recommendations

- i. The youth should be encouraged to join cooperative society which will attract the attention of the government. Since most government policies and programmes revolve around the youth. Government should create an enabling environment for cooperative societies to thrive by providing basic infrastructural facilities.
- ii. Government should support the promotion of youth development under the platform of Cooperative Societies particularly in rural communities of Nigerian Nation.

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LOAN ACCESSIBILITY, UTILIZATION AND REPAYMENT AMONG FISH MARKETERS IN LAGOS STATE, NIGERIA

By

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ABSTRACT

The aim of loan is to help the poor and lower income group to get funds for their business activities and to improve their lives. Usually, the loans given are very small, in short term period, no collateral needed and require weekly repayment. However, repayment problems become the main obstacle for the microcredit institutions to continue providing microcredit services. This is because most of the microcredit institutions are Non-Governmental Organizations (NGOs), where they receive funds from the government and donors and they are not profit oriented organizations. Therefore, this paper empirically analyzed loan accessibility, utilization and repayment among fish marketers in Lagos State, Nigeria. Both primary and secondary data were collected and used for the study. A total of one hundred and twenty (120) fish marketers were sampled through well-structured questionnaire and interview schedule using the multi stage sampling technique to select the respondents. The data collected were analysed using descriptive statistics and inferential statistics like linear regression model. The result revealed that fish marketers in the study area have more (94.2%) of females and it was discovered that the fish marketers were within their economic active age with an average age of 44 years. Majority 65.8% of the respondents were married. Loan from cooperative Society (61.7%) was the major source for financing fish marketing by the respondents, also majority (77.5%) of the fish marketers used credit to expand their existing business. The factors that determined amount of loan obtained by fish marketers in the study area are age (-0.329), household size (0.168), education level (0.288), marital status (0.459) and membership of association (0.279). The factors that determined amount of loan repaid by fish marketers in the study area are monthly income (0.441), number of household (-0.130), number of years spent (0.235) and loan size (0.373). Fish marketing is an important economic sector in terms of employment, food security, enterprise development and foreign exchange earnings and also important in terms of the livelihoods of many rural people and provision of affordable nutrition. It was therefore recommended that Central Bank's Agricultural Credit Guarantee Scheme should be revisited and reviewed to give more attention to fisheries sector in this zone. Community and Agriculture Banks, State Agricultural Loans Boards and others should consider and make available funds with single digit interest rate with long term repayment plan to the fish marketers in order to augment the impacts on non-institutional based micro-finance agencies.

Keywords: Loan, Accessibility, Utilization, Repayment, Fish marketers.

INTRODUCTION

Agricultural sector is situated within the framework of the rural economy and financial markets. A key feature of the sector is the dominance of the small holding farm families or rural households. The pivotal role of these small holding farm families as an engine of industrial growth and development of Nigeria's economy cannot be over-emphasized. The agricultural sector in Nigeria is the most important non-oil economic activity, it is also the single largest employer of labor forces, employing about 70 percent of its workforce (USDA, 2004) and contributed 40.07% and 22% (pre and post debasing period respectively) of Gross Domestic Products (GDP) in 2010 and 2014 respectively (Mgbebu and Achike, 2017). According to Odoemenem and Obinne (2010), small-holder farmers' productivity and growth are hindered by limited access to credit facilities.

Agricultural loan is a crucial input in small-holder agriculture. The performance of the agricultural sector depends to a large extent on the availability of credit. Credit affects the performance of agriculture by providing resources for the purchases of inputs and adoption of new technology (Nwafor *et al.*, 2018). Credit plays a crucial role in amplifying the development of agriculture and the rural economy. It enables farmers to establish and expand their farms as this would increase their income and ability to repay loans. Agricultural credit is defined as the process of obtaining control over the use of money, goods and services in the present in exchange for a promise to repay at a future date. Credit is extended by lenders as loans (Ezihe *et al.*, 2016).

Lending involves giving out of credit in (cash and in kind) to borrowers for the purpose of business. Financing business is one of the most important factors to develop rural areas in developing countries. Credit is an important instrument for improving the welfare of the poor directly through the consumption smoothening that reduces their vulnerability to short term income. It also enhances the production capacity

of the poor resource farmers through financing investment in the human and physical capital (Nwachukwu *et al.*, 2010).

The resolve by various stake holders in improving the status of the rural resource poor farmers through credit extension has informed a new policy dimension and question. The question of loan repayment by farmers is one of the important issues since it influences access to credit by the farmers (Awunyo-Victor, 2012). In recent times, considerable interest has been shown by agricultural economists, planners, policy makers, agribusiness managers, agriculturists and financial institutions on the need to pay more attention to farmers in Nigeria. With this renewed interest in improving the status of the rural resource poor farmers through credit extension, a key issue that has cropped up is the question of loan repayment.

Marketing is defined as a management process which aimed at profit making through anticipation, identification and satisfaction of consumer wants and needs. It also encompasses transportation which brings the product to the right place, storage to adjust supply to demand over time, sorting, cleaning and processing in various ways. Marketing functions occupies a pivotal position in marketing of fish and marketing function. Ayewalehinmi and Agbebi (2018) also identified some services which are essential and must be carried out efficiently for marketing functions to be accomplished. These services which are termed marketing services include transportation, storage, grading and standardization, packaging, bringing sellers and buyers together, financing and risk bearing.

Marketing plays a pivotal role in a market economy. The role of marketing with the incentive it creates to fish production and productivity cannot be over emphasized. The effect of marketing process is assessed by the ability of the market to create time, place form and possession utility. In marketing, fish passes through various market participants and exchange pounds or routes before they reach the final

consumer, these market intermediaries are the whole sellers and retailers, both play important roles in the marketing system.

Over the years, a key issue that has emerged is the question of loan repayment. Loan repayment performance could be influenced by a myriad of factors such as interest rate, unstable prices of agricultural commodities, and the social relations and responsibilities of the borrowers among others (Tundui and Tundui, 2013; Isitor *et al.*, 2016). The question of repayment of loan by fish marketers is one of the important issues since it influences access to credit by the marketers (Awunyo-Vitor, 2012; Saleem *et al.*, 2014).

Without credit, most fish marketers have little chance of substantially increasing their profit. This brings to the highlight, the importance of poverty among the marketing population as a factor in an organization of credit. Often this factor is not fully acknowledged. Poverty is of direct significance because technological improvement must often be adopted with more capital investments, and when incomes are low, such risks appear to be great. The relatively low level of income has restricted the operations of the small scale marketers to small enterprises. The marketers therefore need credit to break the vicious cycle of low income and poverty. This therefore, underscores the need for more realistic and determined efforts to modernize the sub-sector through extension of easy credit facilities to the marketers in this study group. Consequently, lead to the transformation of their small-holdings to modern commercial concerns with increased capacity of the marketers' beneficiaries to enhance their repayment performance.

The problem of rapid agricultural development in Nigeria indicates that efforts directed at achieving expanded economic base for farmers and marketers were frustrated by scarcity of and restrictive access to loanable fund (Odoemena and Obinna, 2010). Also, despite the importance of loan in agricultural production, its repayment is fraught with a number of problems

especially in small holder businesses. Akanni *et al.* (2005) posited that the local fish seller is faced with the problem of profit maximization as a result of the cumbersome nature of the distribution channels. Thus, the effect is the dominance of the sector by private sector with little or no tangible support from the government, therefore, any attempt used at improving a country's marketing system must emanate with a sound analysis of the problem.

Loan is expected to play a critical role in fish marketing. Loan has for long been identified as a major input in the development of the marketing sector in Nigeria. The decline in the contribution of the sector to the Nigeria economy has been attributed to the lack of a formal national credit and loan policy and paucity of credit institutions, which can assist marketers among other things. The provision of this input is important because loan-able fund (capital) is viewed as more than just another resource such as labour, land, equipment and raw materials. It determines access to all of the resources on which a fish marketer depends (Saleem *et al.*, 2014). However, fish marketing have not been able to meet up with the demand of fish within and beyond Epe Local Government Area and this led to the establishment of the various loan facilities in the town. Institutionalized sources of credit are not willing to extend to small scale marketers which may be due to low level of loan repayment. This has adverse effect on fish marketing

Objectives of the Study

The broad objective of this study is to empirically analyze Loan Accessibility, Utilization and Repayment among Fish Marketers in Lagos State, Nigeria. Specifically, the study sought to:

- i. describe the socio-economic characteristics of the fish marketers;
- ii. identify the sources of financing fish marketing;
- iii. elicit the determinants of loan acquired by fish marketers;
- iv. examine the uses to which the loan was put

- by the fish marketers;
- v. analyze the socio-economic factors that affect loan repayment.

RESEARCH METHODOLOGY

Study Area

The study area is Lagos State, Nigeria (a case study of Epe Local Government Area) located on the north side of the Lekki Lagoon and about 90 km from Ibadan. At the 2006 Census the population of Epe was 181,409 persons. **Epe** lies

on the north bank of the coastal Lagos Lagoon and has road connections to Ijebu-Ode and Ikorodu. A traditional settlement of the Ijebu people (a subgroup of the Yoruba), it was established by the mid-18th century as the chief port (slaves, cloth, agricultural produce) for Ijebu-Ode (17 mi [27 km] north-northwest), the capital of the Ijebu kingdom. It later served as the refuge for the forces of Kosoko, the Yoruba king ousted from Lagos (42 miles [68 km] west-southwest) by the British in 1851.

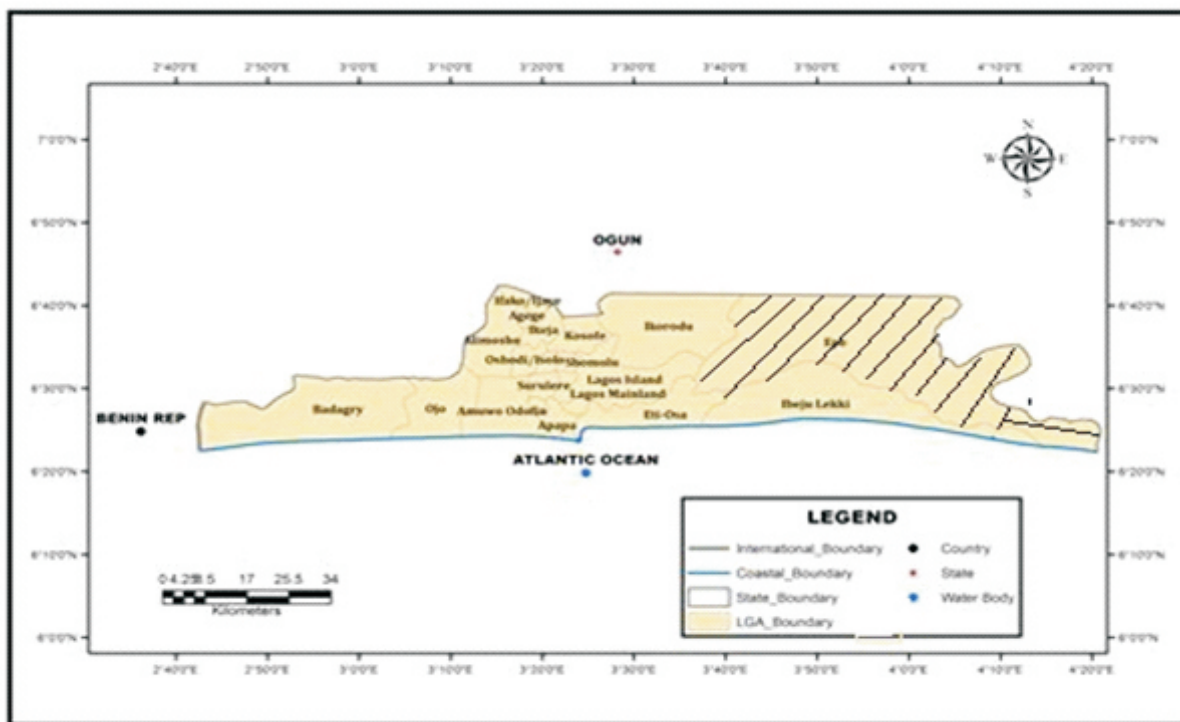


Figure 1: Map of Lagos State showing the study area

Modern Epe is a collecting point for the export of fish, cassava (manioc), corn (maize), green vegetables, coconuts, cocoa, palm produce, rubber, and firewood to Lagos. Special leaves useful in preserving kola nuts are trucked to Ijebu-Ode, Shagamu, and the other main kola-shipping towns. Epe is best known for its construction of the motorized, shallow-draft barges that navigate the coastal lagoons. Fishing is the major occupation. The notable festivals that are celebrated in Epe land includes: Ebi day, Ojude-Oba, Epe day, Kilajolu, and so on.

Sources and Methods of Data Collection

Data required for the study were collected

from both primary and secondary sources. The primary data were obtained through the use of well-structured questionnaire. The secondary data were sourced from published books related to agriculture, Journals of agricultural research and finance, annual reports, agricultural finance bulletins, financial institutions progress report and from relevant public agencies.

Sampling Techniques

A two-stage random sampling technique was adopted. In stage one, ten (10) communities/villages were selected from the study area. This was achieved by random sampling. In stage two, twelve (12) fish marketers were randomly selected in each community/villages of the sample. This gave a total

number of one hundred and twenty (120) fish marketers, who formed the respondents of the study.

Methods of Data Analysis

The specific objectives were analyzed using both descriptive and inferential statistics.

(i) Socio-economic characteristics of the fish marketers

Descriptive statistics such as percentages, frequency, tables and mean were used to describe the socio-economic characteristics of the fish marketers in the study area.

(ii) Sources of loan available to the fish marketers

Descriptive statistics such as percentages, frequency, tables and mean were used to identify the sources of loan available to the fish marketers.

(iii) Determinants of amount of loan obtained by fish marketers

The Ordinary Least Square model was used to elicit the determinants of loan acquired by the fish marketers. The Ordinary Least Square model measures credit available as a function of various variable factors

$(X_1, X_2, X_3, \dots, X_n, e_i)$. Implicitly, the function is represented thus:

$$Y = f(X_1, X_2, X_3, \dots, X_n, e_i)$$

Where:

Y = Amount of loan obtained (N)

X₁ = Age (in years)

X₂ = Sex (Female = 1; 0 otherwise)

X₃ = Income (in naira)

X₄ = Marketing experience (in years)

X₅ = Distance between house and source of credit (in kilometers)

X₆ = Household size (number of dependents)

X₇ = Years of Formal Education (years);

X₈ = Marital Status (1 = married, 0 = otherwise);

X₉ = Primary occupation (1 = fish marketing, 0 = otherwise);

X₁₀ = Membership to association (1 = member, 0 = otherwise).

(iv) Uses to which the loan was put by the fish marketers

Descriptive statistics such as percentages,

frequency, tables and mean were used to examine the uses to which the loan was put by the fish marketers.

(v) Socio-economic factors that affects loan repayment performance

The Ordinary Least Square measured loan repayment as a function of various variables

factors $(X_1, X_2, X_3, \dots, X_n, e_i)$. Implicitly, the function is represented thus:

$$Y = f(X_1, X_2, X_3, \dots, X_n, e_i)$$

Where:

Y = Loan repayment rate (%)

X₁ = Marital status (Married = 1; 0 otherwise)

X₂ = Age (years)

X₃ = Income (₦)

X₄ = Marketing experience (years)

X₅ = Distance between house and source of credit (km)

X₆ = Household size (number of dependents)

X₇ = Number of visits by the credit supervisors (days)

X₈ = Number of years spent in school

X₉ = Loan size (₦)

e_i = Error term

RESULTS AND DISCUSSION

Table 1: Socio-economic Characteristics of the Fish Marketers

Items	Frequency	Percentage	Mean
Age (years)			
< 31	17	14.2	44 years
31 – 40	35	29.2	
41 – 50	46	38.3	
51 – 60	20	16.7	
> 60	2	1.7	
Sex			
Male	7	5.8	
Female	113	94.2	
Marital Status			
Single	14	11.7	
Married	79	65.8	
Divorced	16	13.3	
Widowed	11	9.2	
Educational Level			
No formal Education	22	18.3	
Primary Education	31	25.8	
Secondary Education	66	55.0	
Tertiary Education	1	0.8	
Household Size (person)			
1 – 3	29	24.2	4.2 persons
4 – 6	85	70.8	
7 – 10	6	5.0	

The socio-economic characteristics of the fish marketers discussed included fish marketers' age, sex, marital status, level of education, household size, religion, years of experience in fish marketing, forms of fish sales and monthly income. The result is presented in table 1.

It is necessary to describe the age of the respondents for possible generalization and inference on how it relates to loan accessibility, utilization and repayment among fish marketers. This result shows that the age of the fish marketers within the age bracket of 31 to 50 years has the highest percentage with an average of 44 years. The implication of the foregoing result is that fish marketing in the study area enjoys higher patronage by the young people who are energetic enough to withstand the stress involved in the business. These marketers therefore can make meaningful impact in dried maize marketing when adequately motivated with the needed marketing facilities.

It is also important to describe the sex of the respondents for possible inference and generalization on how it relates to loan accessibility, utilization and repayment. The findings revealed that vast majority (94.2%) of the respondents were females. This implies that fish marketers in the study area were predominantly female. This agrees with the work of Agbebi and Fagbote (2012) that considered women to dominate the marketing sectors because women are considered to be shrewder than men when it comes to marketing of goods and services.

Marital status is expected to influence respondents' level of responsibilities which could have positive or negative influence on their disposition to economic activities and loan accessibility and repayment. The distribution of respondents by marital status is presented in Table 1. It can be seen that majority (65.8%) of the respondents were married while only about 11.7% of them were single. This is in line with the finding of Ayewalehinmi and Agbebi (2018) who stated that the marital status (married) of the fish

marketers surveyed was over half (57%) of the respondents.

Education is of great importance in decision making. It can directly influence the respondents' understanding of marketing dynamics and when to access to loan. Evidence revealed that majority (81.7%) of the respondents had at least one form of education. This result suggests that majority of them can read and write Basic English language although only few are able speak, read and write fluently. This is acceptable on the ground that education affects the way any business is managed as well as overall production (Nkang *et al.*, 2009).

Household size may determine the family labour at the disposal of a fish marketer. Majority (70.8%) of the respondents had between 4 to 6 persons as household size with an average of about 4 individuals per household. This can be considered a moderate household size for a rural household. The moderate household size could maintain a good balance between the household's consumption expenditure and investment expenditure in fish marketing. Besides, the moderate size of the households might not be unconnected to their high literacy level.

Analysis of the religion of the respondents revealed that over half (58.3%) of the fish marketers practiced Islam as religion while 40% of them were Christian and only 1.7% did not practice Christianity and Muslim. This implies that there will be low economic activities on Sundays, majority of them share the same belief and culture making it easier for them to dwell in unity while carrying out their marketing activities.

Experience is the collections of all activities from which an individual or group may gather knowledge, opinions and skills in order to achieve increase in profit. Majority (63.3%) of the respondents had below 6 years' experience in fish marketing with an average of 6 years per marketer. Only 5% of the marketers had above 10 years marketing experience. This implies that not all of them are conversant with the seasonal

changes in fish marketing operations, fish marketing is an age-long activity and fish marketing can alleviate poverty to its barest minimum if proper measures are put in place.

Data showed the percentage distribution of respondents by form of fish sales. The result showed that half (50.0%) of the respondents market only fresh fish and about 24.2% of the respondents market only smoked fish whereas 25.8% of the respondents market both fresh and smoked fishes.

Capital is a soul of a business. One of the primary means of accumulating capital as a small – scale business is income. It is assumed that the higher the income accruable to the owner of a business, the greater the tendency for him/her to inject more capital into the business and expand it. Business expansion is likely to bring about benefits associated with the economics of scale with tendency to improve sales. The result indicated that almost half (47.5%) of the fish marketers earn between 20,100 - 40,000 with an average of N28,891.67k. The income is considerably low in the present economic

circumstance and could limit investment in their various businesses.

Sources of Financing Fish Marketing

Figure 2 shows the various sources for financing fish marketing, Cooperative Society (61.7%), friends and family (31.7%) and personal money (26.7%). As also shown above, the sources for financing fish marketing as Commercial banks/Microfinance Agencies (20.8%) and Money/Private Lenders (1.7%). The implication is that the major sources of finance among the fish marketers were co-operative societies, friends or relatives and personal savings, which are non-institutional credit sources. Credit from non-institutional sources is more attractive, because there is little or no insistence on collateral security. On the other hand, formal sources of credit had low patronage from the fish marketers, which may be due to lack or limited presence of banks in the study area coupled with delay in approval and disbursement of loan and insistence on collateral security.

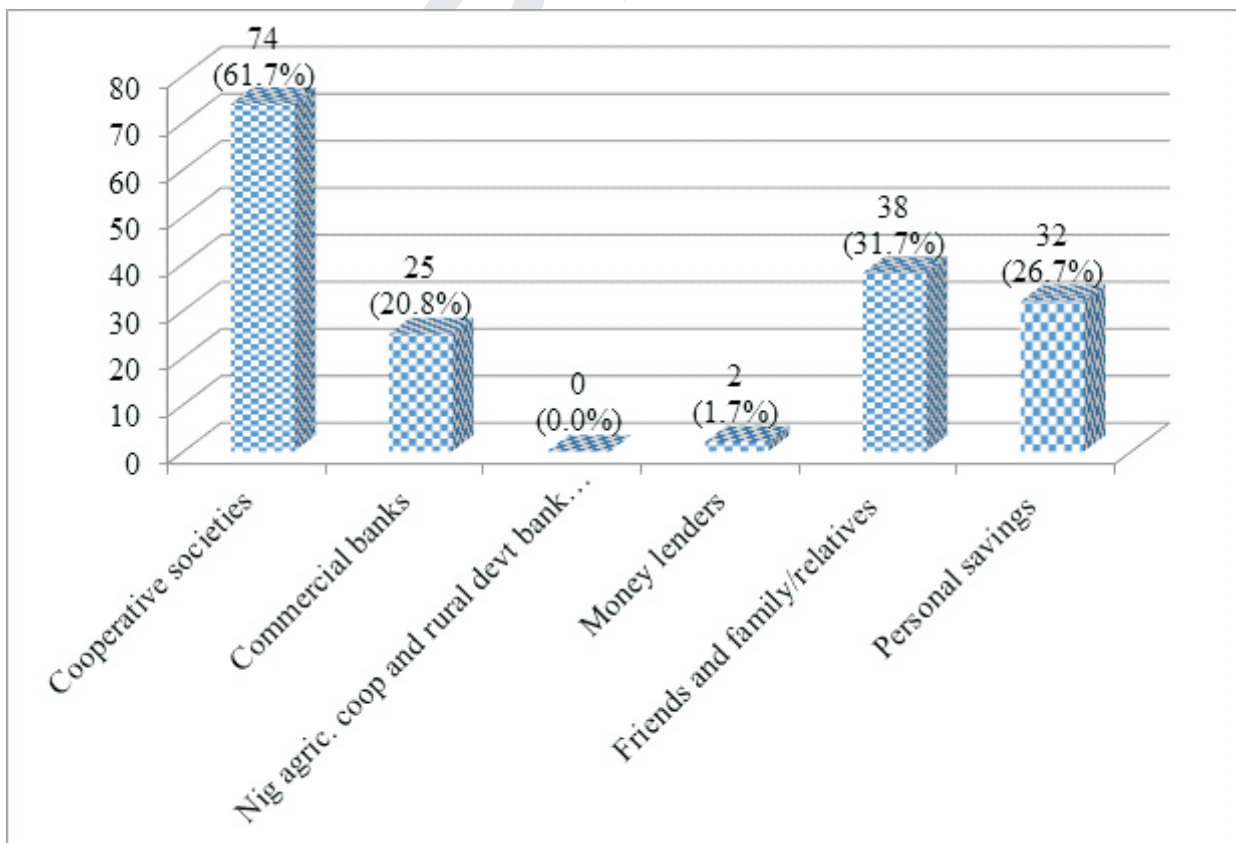


Figure 2: Sources of Finance for Fish Marketing Activities

Determinants of Amount of Loan Accessed by Fish Marketers

Data in Table 2 shows the regression estimate of determinants of loan obtained by fish marketers in the study area. The magnitude of R² value of 0.596, which indicates that 59.6% variation in fish marketers' acquisition of loan is accounted for the selected explanatory variables. It suggests that the model has explanatory power on the changes in fish farmers' acquisition of loan. The coefficient of age (-0.329) was negatively signed and significant at 1% level. This result implies that the amount of loan acquired by fish marketers decreases with age. The result is in agreement with *priori* expectation. Older marketers are relatively more risk averse and tend to acquire fewer loans to avoid loan default.

Household size had a positive coefficient (0.168), which was significant at 10% level. This means that the amount of loan acquired and household size had direct correlation. This result is also in agreement with *priori* expectation. As the size of a household increases, the household needs will also increase. In a bid to satisfy the increased household needs, relatively larger amount of loans will be acquired. However, the tendency for diversion of loan to consumption purposes also increases with household size. The

coefficient (0.288) of education level was positive and significant at 10%. This result conforms to *priori* expectations and implies that amount of loan acquired increases with education level. Expectedly, educated marketer borrowers have better tendency for loan management and adoption of new ideas. This positive attribute increases loan repayment potential, which is attractive to lenders.

The coefficient of marital status (0.459) was positive significant at 1% levels of probability. This implies that any increase in this variable would lead to an increase in level of loan obtained. The posture of this result implies that single fish marketers in the study area acquired less loan. Married marketer has relatively larger household sizes, which serves as a drive to obtain loan in the area. Also, lenders view married marketers as being relatively more stable, responsible and capable of repaying borrowed funds. The coefficient of membership of association (0.279) was positive and significant at 1%. This implies a direct relationship between membership of association and amount of loan acquired.

Table 2: Multiple regression estimates of the determinants of volume of loan obtained

Variables name	Reg. Coefficient	T-value
₀ (Constant)		2.472
X ₁ Age	-0.329***	-3.350
X ₂ Sex	0.149	1.172
X ₃ Monthly income	-0.090	-0.870
X ₄ Marketing experience	-0.100	-1.077
X ₅ Distance between house and source of credit	-0.007	-0.079
X ₆ Household Size	0.168*	1.814
X ₇ Number of years spent in school	0.288***	2.977
X ₈ Marital status	0.459***	5.497
X ₉ Primary occupation	0.082	0.953
X ₁₀ Member of association	0.279***	2.756
R square	0.596	
Adjusted R square	0.541	
F-statistics	7.155***	

***, ** and * indicate variables are significant at 1.0%, 5.0% and 10.0% level, respectively

Source: Field Survey, 2020

Uses to which the loan was put by the fish marketers

The below Figure 3 presented the uses to which the fish marketers put the loan obtain to, the study shows that majority (77.5%) of the fish marketers use credit to expand their existing business, over half (52.5%) of the fish marketers uses their loan to pay their children school fees, 23.3% use part of it for food consumption. About 10.8% of the fish marketers used it to start a new business. This result indicated majority of the fish farmers collect loan for the expansion of their business, which shall ultimately facilitate quick repayment.

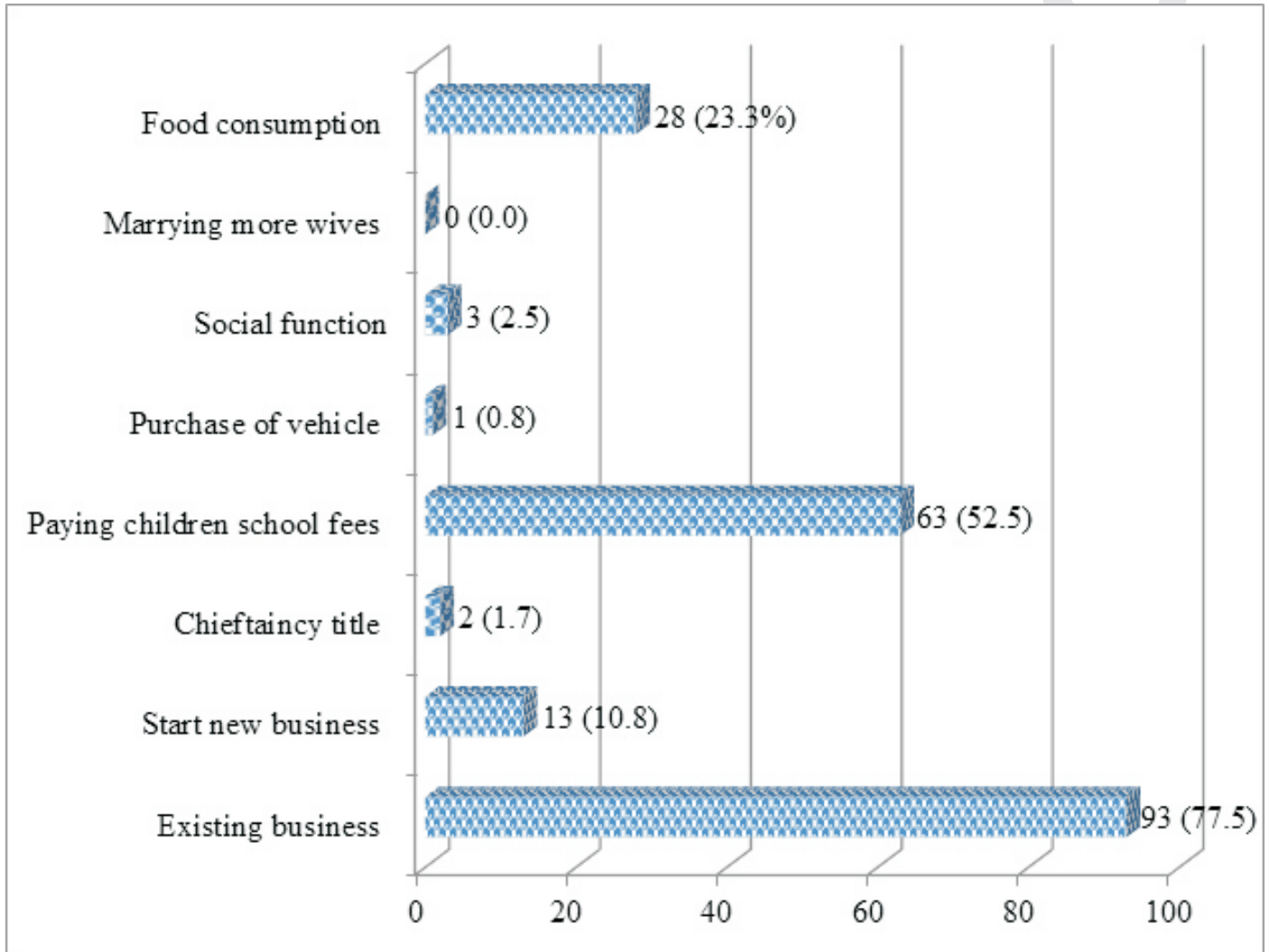


Figure 3: Uses of Credit

Socio-Economic Factors that affects Loan Repayment Performance

Data in Table 3 shows the regression estimate of determinant factors that affects loan repayment performance by fish marketers in the study area. The magnitude of R² value of 0.640, which indicates that 64.0% variation in fish marketers' repayment performance, is accounted for the selected explanatory variables. It suggests that the model has explanatory power on the changes in fish farmers' loan repayment ability. Out of the 9 variables included in the model, only four variables are significant. As shown in the Table 3; monthly income, level of education and loan size of fish marketers are positively associated with their repayment rate.

The coefficient of monthly income was positive and statistically significant at 1%, this implies that increase in monthly income result to increase in loan repayment rate. Therefore, there is a direct

relationship between the fish marketer's income and the amount of credit repaid to the financial institution in the study area. Not surprisingly, number of household is inversely correlated to respondents' ability to repay their loans. Increased household decreases the amount of credit repaid. This implies that the smaller households size of the fish marketers' family, the higher the higher the amount of credit repaid and vice versa. This in turn resulted in default in loan repayment. The coefficient number of years spent in school is positive and statistically significant at 1%, this

revealed that there is a direct relationship between number of years spent in school and the amount repaid. The implication is that educated older fish marketer has better loan repayment abilities than less educated young ones. This could be as a result of accumulated knowledge acquired in school. However, the variables representing the loan size obtained by the sampled fish marketers is significant at 1%. The results imply that increase in the loan size obtained by the fish marketers increases the likelihood that the fish marketers will repay the loan within the stipulated time.

Table 3: Regression Estimates of the Determinants of Amount of Loan Repaid

Variable Code and Names	Reg. coefficient	T-value
θ_0 (Constant)		-0.544
X ₁ Marital status	0.036	0.468
X ₂ Age	-0.088	-0.945
X ₃ Monthly income	0.441***	4.788
X ₄ Marketing experience	0.040	0.457
X ₅ Distance between house and source of credit	0.043	0.466
X ₆ Household Size	-0.130***	-4.846
X ₇ Number of visits by the credit supervisors	0.135	1.503
X ₈ Number of years spent in school	0.235***	2.685
X ₉ Loan size	0.373***	-4.287
R square	0.640	
Adjusted R square	0.595	
F-statistics	9.616***	

***indicate variables are significant at 1% level

Source: Field Survey, 2020

Conclusion

The importance of fish marketing development in sustainable livelihood cannot be overemphasized. There is an urgent need for a better diagnosis of the role of fish marketing in poverty alleviation. Fish marketing is an important economic sector in terms of employment, food security, enterprise development and foreign exchange earnings and also important in terms of the livelihoods of many rural people and provision of affordable nutrition. More attention should be directed towards this sector since Nigeria has the potential and capacity to harness or exploit her vast fisheries resources

in the reduction of poverty within the Nigeria populace and employ more standard marketing mechanisms. Microcredit is considered one of the most important tools for poverty reduction. It has attracted the attention of governments and international donors all over the world. In Nigeria, micro-credit has enjoyed rapid growth over the last two decades. The development of the micro-credit sector in Nigeria also coincides with significant progress in the country's effort to reduce poverty. However, loan default and inefficiency of loan use is becoming a serious problem for most micro-credit institutions, significantly eroded their liquidity positions.

The outcome of the study revealed that fish marketers in the study area were carried out mostly by married females who are educated with moderate household size and still in their productive years. They mostly sourced for credit mainly from the informal sources (cooperative society, friends and family). The result of the multiple regression analysis revealed that age, household size, education level, marital status and membership of association were significant predictors at varied signs and levels of amount of loan obtained by the fish marketers. It also revealed that monthly income, number of household, number of years spent and loan size were significant predictors at varied signs and levels of amount of loan repaid.

Recommendations

In view of the findings, it is therefore recommended that:

- (i) Central Bank and Agricultural Credit Guarantee Scheme should be revisited and reviewed to give more attention to fisheries sector in this zone. Community and agriculture Banks, State Agricultural Loans Boards etc should consider and make available funds with single digit interest rate with long term repayment plan to the fish marketers in order to augment the impacts on non-institutional based micro-finance agencies.
- (ii) Effective monitoring of disbursed credit is critical to enhance prompt credit recovery of loan from the fish farmers in the study area.
- (iii) Factors that significantly affect loan repayment include monthly income, number of household, number of years spent and loan size. These led to the recommendations that fish marketers' loan size should be increased and released on time to enable them use it effectively. In addition, farmers should be encouraged to undergo formal educational training so as to easily acquire administration skills in the management of loans.
- (iv) Finally, Government should perform their

supportive, regulatory, stimulatory and supervisory roles in micro-finance programmes in the study area.

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COOPERATIVE MEMBERSHIP AND SOCIO-ECONOMIC WELFARE OF SMALL-SCALE ENTERPRISES IN OGUN STATE, NIGERIA

By

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Abstract

This study examined cooperative membership and socio economic welfare of small scale enterprises in Ogun State, Nigeria. The study describes the socio-economic characteristics of the respondents, benefits enjoyed as a member of cooperative society, determinant of cooperative membership and effect of cooperative membership on the socio economics welfare of small scale entrepreneurs. A total of one hundred and twenty sampled respondents were randomly selected. Descriptive and inferential statistics were used to analyze the data collected. The results obtained show that there is even distribution of the respondents were female (50.0%) and male (50.0%) were accounted for in the study, the respondents were aged less than 40 years with an average age of 32.35 years. *The analysis of Logit regression on the determinants of cooperative membership revealed that age of the respondents is a significant factor that determines cooperative membership. The result of the regression analyses revealed that* household size, years of cooperative membership and educational level of the respondents had a positively significant impact on respondents' income and they are significant at 5% and 10% levels. **It is therefore recommended that Government should support cooperative societies in improving household income as they benefit from cooperative social aiding activities.**

Keywords: Welfare, Cooperative membership, Egba Division, Ogun State.

Introduction

Nigerian economy has a lot of potentials for growth and development. The abundant and natural resources of the country remain largely unexplored. These have to be harnessed to the fullest for the general well-being of Nigeria in the world economy. Perhaps, one important way to the realization of this goal is through the encouragement of cooperative movement (Kareem *et al.*, 2012).

A business whether small or big, simple or complex, private or public, etc is created to provide competitive prices. Business in Nigeria has been classified as small, medium and large. Small Medium Enterprises' (SMEs) is an independent business, having a small market

share and managed by its owner or part-owners. Actually there is wide diversity of the businesses, so there is no single definition of a small firm because each country has their own definition for SME Firm (Ayozie *et al.*, 2013). According to Organization for Economic Cooperation and Development (2008), in the European Union, Small and Medium-Sized Enterprises (SMEs) are non-subsidiary, independent firms which have characteristics such as the employ less than a given number of employees. However, the limitation numbers of employee are various across countries. Some countries set the limit at 200 employees. In United States SMEs can be define as a firms with fewer than 500employees.

Cooperative societies are member-based

organizations that help members to address economic problems. They are not banking institutions because of their goal. The ultimate goal is to encourage thrift among the members and to meet credit needs of people who might otherwise fall prey to loan sharks and other predatory lenders. Cooperative societies are widely spread organization in developing countries, they are known for strong commitment of, as well as participation in the decision making of their members (Akerle and Adekunmbi, 2018).

Cooperative society is one of the principal agents of economic development of every society. It is not only an avenue for job opportunities, but also as a training ground for the rural dwellers and other society and economic benefits. Ademu *et al.* (2018) define cooperative society as an association of persons who have voluntarily joined together to have a common end through the formation of a democratically controlled enterprise, making equitable contribution to the capital required and accepting a fair share of the risk and benefit of the undertaking in which the member activity participate.

Cooperatives have been regarded as one of the main institutional machineries for empowering the economically weak members of the society. With this official recognition and the determination of government (at all levels) to raise the standard of living in the country, many cooperative societies have been formed all over the country (Ogunleye *et al.*, 2015).

Membership of cooperative societies provides better and reliable access to credit facilities. People come together in cooperative to pool their resources together so as to meet needs that could not be resolved by individual limited financial capacity (Okafor and Okafor, 2017). Credit is an important element in any progressive and dynamic economy; hence as economic activities increase and the economy becomes diversified, the need for credits becomes unavoidable (Campbell *et al.*, 2017). Cooperative societies are formed based on the powerful idea that together a group of people can achieve goals that cannot be achieved singly. They help

members to address economic problems, and their ultimate goal is to encourage thrift among members and meet credit needs of people who might otherwise fall prey to loan sharks and other predatory lenders (Akomolede and Yebisi, 2015).

Recently cooperatives workers started gaining ground among working class citizens, most of who find it difficult to save part of their salaries/wages for the rainy day. Hitherto, cooperative societies were thought to be associations meant only for farmers, small traders and other very low-income earners. This explains why quite a number of cooperative farmers are found, particularly in southern Nigeria. Similarly, many studies and researches have been conducted in a bid to fill the lacuna in income disparity and inequalities of rural households Muchopa, (2011) and Chikaire, (2011). However, little research has been done on the extent to which participation in co-operative activities have been helpful towards combating poverty and improving the rural households' income in the study area, this study would attempt to fill this gap in research.

Objectives of the study

The broad objective of this study is to examine the effect of cooperative membership on the socio-economic welfare of small scale enterprises in Egba Division of Ogun State, Nigeria. The specific objectives of this study are to describe the socio-economic characteristics of the small scale entrepreneurs in the study area; identify the types of cooperative and benefit enjoyed as a member of cooperative society; elicit the determinants of cooperative membership among small scale entrepreneurs; and examine the of cooperative membership on the socio economics welfare of small scale entrepreneurs in study area.

Methodology

The study area is Egba Division of Ogun State in Southwest Nigeria. Egba division is one of the four (4) divisions in Ogun State. Others are Ijebu, Remo, and Yewa Divisions. Yoruba is the predominant ethnic group in the region while the

Egbas make up a major sub ethnic group in Ogun State. Other sub ethnic groups include: Ijebus, Egbatedos, Aworis, Eguns and the Remos. Egba Division of Ogun State consists of six Local Government Areas namely; Obafemi Owode, Odeda, Abeokuta North and Abeokuta South, Ewekoro and Ifo. Egba Division lies within longitude 3°02' -3°48'E and latitude 6°39' -7°30'N. The major occupation in the area is farming of arable crops like maize, cassava, plantain, melon and oil palm. Livestock such as poultry, cattle, sheep and goats are also reared by these farmers.

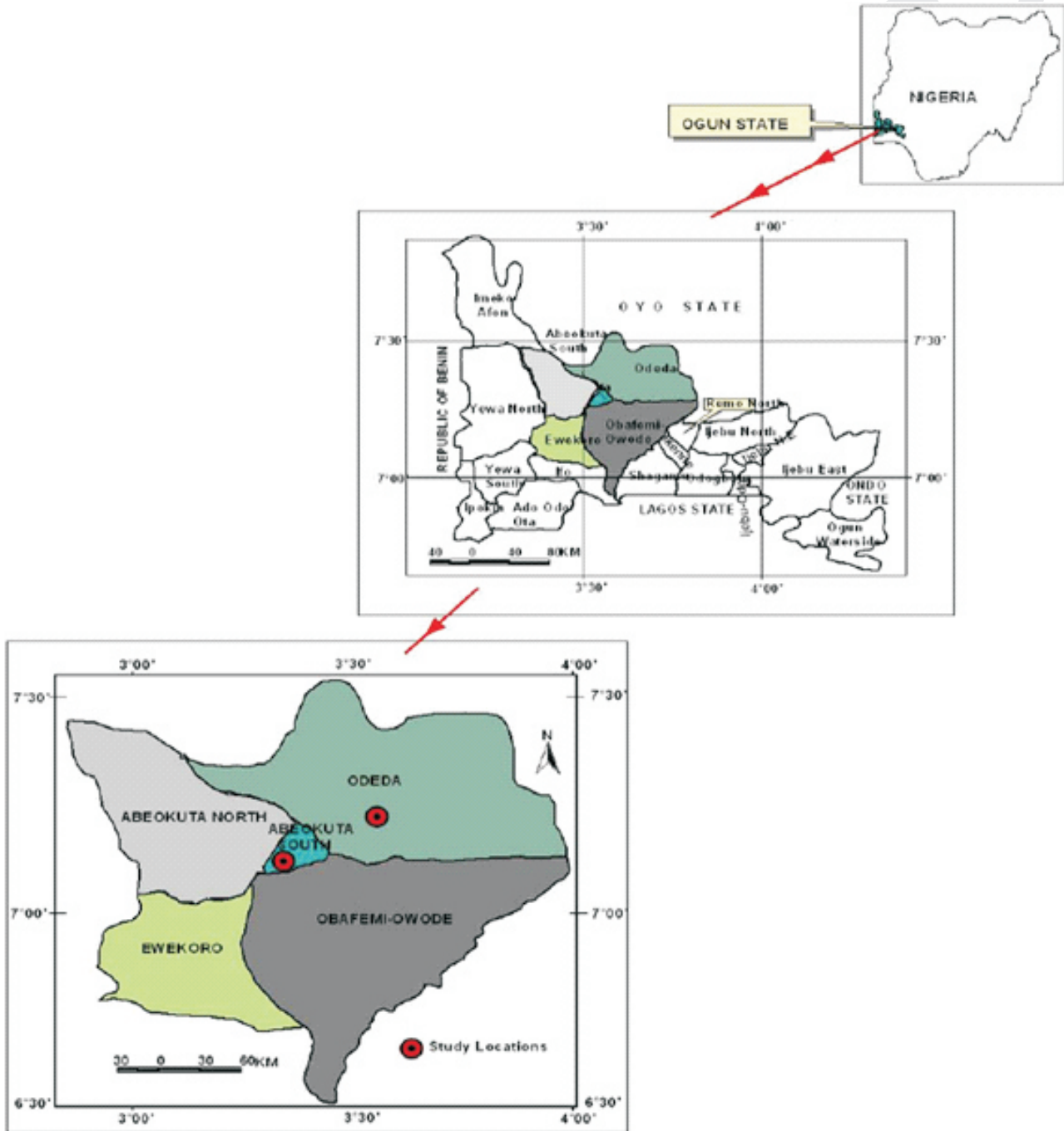


Figure 1: Map of Ogun State Showing the Study Area

Sources and Methods of Data Collection

Primary data were the major type of data used for this study. This was collected using a structured questionnaire which was administered through personal contact with the respondents. Secondary data were also obtained from literature materials, bulletins, journals for this study.

Sampling Techniques

A Two-stage random sampling technique was adopted in selecting the respondents for the study. First stage involves the selection of two (2) Local Government Areas from the study area namely Abeokuta North and Abeokuta South LGAs. In the second stage sixty (60) small scale entrepreneurs were selected from each of the two (2) LGAs. In all, a total of one hundred twenty (120) small-scale entrepreneurs were selected.

Methods of Data Analysis

Descriptive statistics and inferential statistics were used to analyze the data.

Determinants of cooperative membership among small scale entrepreneurs

Logit model were used to elicit the determinants of cooperative membership. The Logit model following Awotide (2012) assumes the underlying stimulus index (I_i) is a random variable, which predicts the probability of being a member of cooperative societies. Therefore, for the i^{th} observation (an individual respondent):

$$I_i = \ln \frac{P}{1-P} = \beta_0 + \sum_{j=1}^n \beta_j X_{ji}$$

The relative effect of each explanatory variable (X_{ji}) on the probability of being a member of cooperative societies is measured by differentiating with respect to X_{ji} . Using the quotient rule,

$$\frac{\delta P_i}{\delta X_{ji}} = \left[\frac{e^{I_i}}{(1 + e^{I_i})^2} \right] \left[\frac{I_i}{X_{ji}} \right]$$

Where:

P_i = the probability of i^{th} respondent being a member of cooperative societies or not.

X_i = Vector of explanatory variables which are

X_1 = Age (years)

X_2 = Marital Status (Married = 1; otherwise = 0)

X_3 = Level of Education (years)

X_4 = Household Size (number)

X_5 = Type of Cooperative (Multipurpose = 1, otherwise = 0)

X_6 = Total Monthly Income (Naira)

X_7 = Sex (male=1; 0 otherwise)

4. Effect of cooperative membership on the socio economics welfare of small scale entrepreneurs

To examine the cooperative membership on the socio economics welfare of small scale entrepreneurs, Linear regression model was used to achieve this objective. The model is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + U$$

Where:

Y = Income (N)

X_1 = Household Size (Number of person)

X_2 = Amount of Loan Obtain (N)

X_3 = Loan Repayment Period (months)

X_4 = Interest on Loan (%)

X_5 = Years of Cooperative Membership

X_6 = Number of Sources of Loan (No)

X_7 = Sex of Household Head (1= female; 0= male)

X_8 = Years of Formal Education (years)

RESULTS AND DISCUSSION

Table 1: Socio-Economic Characteristics of the Respondents

Variable	Frequency	Percentage	Mean
Age (years)			32 years
=30	80	66.7	
31-40	24	20.0	
41-50	5	4.2	
>50	11	9.2	
Sex			
Male	60	50.0	
Female	60	50.0	
Marital Status			
Single	45	37.5	
Married	67	55.8	
Divorcee	5	4.2	
Widow	1	0.8	
Separated	2	1.7	
Educational Level			
None	8	6.7	
Primary	28	23.3	
Secondary	33	27.5	
OND/HND/B.Sc	47	39.2	
Religion			
Christian	65	54.2	
Muslim	51	42.5	
Other Religions	4	3.3	
Household Size (persons)			5 members
1-3			
4-6	41	34.2	
7-9	72	60.0	
>10	6	5.0	
	1	0.8	

Business Experience (years)			
1-5	83	69.2	
6-10	29	24.2	6
16-20	4	3.3	
>20	4	3.3	
Benefit Derived			
Loan	54	45.0	
Dividends	69	57.5	
Souvenir	72	60.0	
Investment	24	20.0	
Total	120	100	

Source: Field Survey, 2020

Cooperative requires the involvement of agile, productive and able-bodied people in most business activities. The study revealed the result of analysis on the socio-economic characteristics of the respondents in Table 1. The table revealed that the mean age of the respondents was 32.35 years and about (66.7%) of the respondents falling below 30 years old. About 20.0% of the respondents are aged between 31-40 years while 13.4% are aged above 41 years, indicating that most of the respondents are still in their very productive and active capacity.

The sex is the range of characteristics pertaining to, and differentiating between, femininity and masculinity. There is even distribution of women and men in the study area as both have 50.0% each. This shows that women were also attracted to join cooperative as compared to male. This is likely to be the case because women in many African societies are the ones who take care of families particularly the old and youth.

The marital status is the legally defined marital state. There are several types of marital status: single, married, widowed, divorced, separated and, in certain cases, registered

partnership. Never married persons are persons who never got married in concordance with valid regulations. The marital status of the respondents which was revealed in Table 1 shows that majority (55.8%) of the respondents were married hence had family responsibility with 37.5% of the single and the remaining of the respondents are either widowed or separated.

The education extends from giving people information to helping people to develop their own deepest possibilities for building a better world. The result revealed the literacy level of respondents is appreciably high (93.3%) considering the sum of primary, secondary and tertiary education, however, only (39.2%) of respondents had tertiary education while 50.8% had either secondary or primary education. Educational level plays a good role in adoption of new and innovative production methods and undertaking risks.

The religion is a social-cultural system of designated behaviors and practices, morals, worldviews, texts, sanctified places, prophecies, ethics, or organizations that relates humanity to supernatural, transcendental, and spiritual elements. However, there is no scholarly

consensus over what precisely constitutes a religion. Evidence revealed that majority (54.2%) of the respondents are Christians and practice Christianity as their religion while 42.5% of the respondents practiced Islam as their religion.

The household size of the respondents may determine the family labour at household disposal (especially the respondents who are involved in farming). Also revealed from Table 6 is that the respondents have an average of about 4 persons per household. The households can be said to have considerably moderate household sizes and since majority (60.0%) of the respondents had between 4 and 6 members in their households.

Various persons have different ideas about what it takes to build a successful business. Some believe having good ideas is essential, while others emphasize the importance of skill or catering to a contemporary demand. While hard work, talent, and the drive are all critical characteristics of a good entrepreneur, there's another important aspect of doing business that often gets overlooked is business experience. The findings revealed that 69.2% of the respondents have experience in their business for about 1 to 5 years while only few (6.6%) of the respondents have spent more than 16 years in business operations. Indeed, experience goes along with skill acquisition, which is fundamental to efficiency and effectiveness in any job operation

(Baker and Sinkula, 2009).

The data in Table 1 shows the result of the benefits derived from cooperative societies by the respondents. The finding revealed that majority 60.0% of the respondents benefit gift items from cooperative society's like the souvenir distributed to members and 57.5% of the respondents in the study area benefit from dividends shared among members of cooperative in the study area. About 45.0% of the respondents benefitted from cooperatives loan provision schemes which allow members to access cheap and affordable loans to improve their business and meet household demands.

Determinants of Cooperative Membership among Small-Scale Entrepreneurs

The factors influencing the cooperative membership were examined using binary logistic regression models. The likelihood ratio estimates of the Logit models indicated that the Chi-square statistics was highly significant ($p < 0.001$) suggesting that the models were adequate for explaining the determinants of cooperative membership. The marginal effect of the Logit regression results is presented in Table 2. *It was revealed that only age of the respondents is a significant factor that determines cooperative membership in the study area. This implies that as a person grows older there is a high tendency the person will join a cooperative society.*

Table 2 : Logit Regression Estimate for Determinants of Access to Cooperative Loan

Variables	Name	Coefficient	Standard error	T-value
β_0	Constant	-3.8775***	1.1834	-3.276
X ₁	Age	0.0567**	0.0269	2.110
X ₂	Marital status	0.4942	0.6945	0.712
X ₃	Level of education	-0.0909	0.0579	-1.569
X ₄	Household size	0.6077	1.2780	0.476
X ₅	Type of cooperative	-0.0566	0.0654	-0.864
X ₆	Total monthly income	-0.1520	0.4742E-05	-0.321
X ₇	Sex	0.9101	0.6902	1.319
<i>Log likelihood</i>		-35.57		
<i>Restricted log likelihood</i>		-41.16		

*** = Significant at 1% level, ** = Significant at 5% level

Source: Field Survey, 2020

Effect of Cooperative Membership on the Socio-Economic Welfare

The result revealed that household size, years of cooperative membership and educational level of the respondents had a positively significant impact on respondents' income and they are significant at 5 percent and 10 percent levels. The adjusted coefficient of determination (R^2) value is 0.440. The F-statistics showed that the model passed the test of overall significance at the 1% level. This implies that all the explanatory variables taken together had a significant impact on income. The coefficient of respondents' household size is positively related to determinant of income in the study area. This may be so due to

the fact that the higher the households size the more labour will be available which will increase the household in terms of income earned. Further, the coefficient of cooperative membership has a positive impact on household income level. This may be so as the respondents who belong to cooperatives have to access to cheap loan which will increase household income when used for productive purpose and the level of education as it increases so does household income level. This may be so as the higher educational attainment allows the respondents to access high paying jobs which will increase household welfare and income generally.

Table 3: Regression model for effect of cooperative membership on their welfare

Variables	Name	Coefficient	Standard error	T-value
β_0	Constant	69.568***	21.180	3.285
X ₁	Household size	9.714*	10.540	1.922
X ₂	Amount of loan obtain	-0.010	0.039	-0.251
X ₃	Loan repayment period	1.306	2.527	0.517
X ₄	Interest on loan	-0.389	0.896	-0.435
X ₅	Years of cooperative membership	7.900*	19.419	1.641
X ₆	Number of sources of loan	-4.109	8.000	-0.514
X ₇	Sex	-2.103	12.384	-0.170
X ₈	Years of formal education	1.169**	1.156	2.012
F-Value		7.430***		
R²		0.430		
Adjusted R²		0.440		

** = Significant at 5% level, and * = Significant at 10% level

Source: Field Survey, 2020

Conclusions and Suggestions

A cooperative society is a voluntary association that started with the aim of the service of its members. It is a form of business where individuals belonging to the same class join their hands for the promotion of their common goals. The study concluded that both male and female were evenly distributed in the study, and they are within their active working age of 40 years and below, they are married with a form of formal education. They practice Christianity as religion and have an average of 4 individual per household with business experience of less than 10 years. The respondents benefitted from souvenir distributed by their cooperative society and cooperative dividends shared among members. *Age of the respondents is a significant factor that determine cooperative membership while household size, years of cooperative membership and educational level of the respondents had a positive impact on respondents' income thus enhanced the growth and expansion of their*

business.

Recommendations

Based on the findings from the study, the following recommendations are therefore suggested that the government should support cooperative societies in improving household income as the members benefit from cooperative social aiding activities. The cooperative members should be given adequate and useful seminars that will help improve their business experience and ability to accept and use innovation technology. Government, non-governmental organizations and international development agencies, should increase the tempo of their supervisory and support-service to the activities of Cooperative Societies in view of their importance in Nigeria's quest for increasing household income.

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ENHANCING SECURITY THROUGH YOUTH PARTICIPATION IN CO-OPERATIVES

By

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INTRODUCTION: The resultant effect of the hardship experience by masses with a poor living condition in Europe was generally regarded as the emergence of modern co-operation, despite the archaic practices all over the world.

The Rochdale Equitable Pioneers of great memory in the history of co-operative provide the basic regulating frame work consisting the leadership style, principle and other operatizing rules c-operative wise, England; (1844).

Co-operative practices accordingly can as well provide the alpha and omega of human needs and wants. In the sense that it encompasses all it may likely take from individual expectation.

Looking through the current dispensation we are now over almost (4) four decades from the emergence of modern co-operatives, hence the need to address the progress in the field of co-operative profession to tackle the menace of the recent global challenges with a clear vision that will be hoping to complete Youth Initiation, Imagination in achieving the desired and profound objectives security wise.

Co-operatives are always agricultural based institution, which integrated the pure practice, education, production, processing, financing, marketing and insuring all sort of agricultural attributes.

In Nigeria today we are faced with different catastrophic security challenges of various kinds, which were discovered to be solely youth motivational affairs. The issue transferred to all the North East, Boko-Haram, North Central: Kidnappers, Banditry Un-known Gunmen and lots to mention but a few.

YOUTH IN CO-OPERATIVE

Literally the word co-operative signifies = co-coming, while operative operate together, youth are recognized to be the bedrock of any prosperous sustainable economy. These individuals ranges from the age of 18-45years are universally categorized to be youth. At this stage majority of human obligations, plans, mission and goals are usually attained.

Co-operative expects view on the structural features of co-operative organization influence their operational result. The difference in modern co-operative practices in most of the developing countries including Nigeria are responsible for its progression, in the sense that there use to be fault in its structural frame work and other related issues.

The visible point of consideration must follow:

- i. The context of the law of that particular state, country:- in this regard there is need to be aware if the law of the state provide for the existence and establishment of co-operative of any kind.
- ii. Practice of local society/associations of mutual aids:- relevance in forming mutual aids societies, this is necessary because some of the societies of this kind inhabits the emergence of genuine co-operation, in fact some of the concepts or cultural styles are usually authorized in equality which result to contrary opinion and practices of modern co-operatives.
- iii. Institutional forms of co-operative – cooperative societies always vary from each other. Institutional based should be redesigning to hostile between government

and the community. In redesigning it in categories as follows.

- a. Pre-cooperative stage:- this is a testing ground stage, recognition and transition stage. That all the requisite requirement needed to operate are readily available familiarization between members, and other regularities.
- b. Primary stage:- at this stage the society in structure, operates in progress, members enjoying the required services of their needs from the society.
- c. Apex stage:- at this stage the society may affiliate from the local, or community level to establish and operate at higher level, basically not on individual but rather society.

CLASSES OF YOUTH CO-OPERATIVES

Basically there are different types of co-operative societies as said earlier Agriculture is too broad. But we are more concerned with the youth related co-operative operation. They could be productive or service rendering societies. Specifically we laid our emphases on security aspect of our living and environment, we equally have non-agricultural co-operative societies.

- i. Non-Agricultural co-operative :- these are formed by person who engaged in the production of processing but non-agricultural product e.g craft man, small scale manufacturers co-operative, workers producer co-operative, workers labor contacting society, etc.

CO-OPERATIVE AND NATIONAL SECURITY

For a better nation must be blessed security wise, that in all the lives and properties of the citizens was duly protected. There are various security personnel in our dear country Nigeria but the predominate challenge was nobody is secured. This resulted from the incapacitative nature of our security officers, and other misfortunes that brought abnormalities to prevail.

It has been clearly noted that, the so called terrorist, gun-men and other sort of cowards are

chanced to be dealing with most of the innocent people as co-operations between the citizens was less experienced. Cooperative are recognized with their way of operation sanitized and approved by governments to protect the interest of their members and to some extent the community stage. In this regard co-operatives were certified to serve as contributing agency in any community. Their bye-laws are always guiding principles which were never expected to go beyond or contrary to national laws and other ethics.

Government make a move to implement state police, even though it was yet to be a successful mission. But by youth in co-operative we expect to yield a positive impact economically and socially.

Co-operative always encourages self relies, as such that there are numerous sort of business engagement, therefore as it is all the activities of co-operatives are being mentioned by government that will give a clear view on the operations, regulations of such youth co-operatives. It is rather unfortunate, we are always dreaming of change in this country instead of self actualization and evaluation for our effectiveness. In essence am trying to raise my cases by saying an "idle mind is a devils workshop". Youth participation in co-operatives were so committed to mainly their concerned business of daily bread earning, likewise they are guided and protected against all evil disturbance as well if necessarily discovered can eventually take their move in protecting their community and the country in general.

ECONOMIC EFFECT OF YOUTH COOPERATION ON SECURITY

The negative expectance in terms of both domestic and foreign investment was devastated in the sense that security was lacking. The agricultural practices was never in place, arable land was abandon for years without producing agriculturally. The output was so sufficient as raw materials was not available, so many communities were render homeless as their houses were burnt to ashes, hunger and starvation

had become a devastating experiences. The nations G.D.P was affected tremendously insecurity is a complete set back to any prospective economy.

There is an experience bad market anomalies, high level of unemployment gross rate of famanine gender, children experiencing hunger, child labor prevalent income inequalities, food insecurity among house holds, lacking in education completely, inadequate or no productivity at all levels, no future prospect prediction and greater uncertainties.

SECURITY RECOVERY THROUGH YOUTH CO-OPERATIVES

Security recovery is to be discovered when some element of peace were restored back to bit off normalcy. A peasant farmer can eventually be at his farm land and engaged in his farm activities without interruption or other hitches, the community based youth co-operatives of any kind or types can as well prepare a defensive measures and that could be incorporated to their respective bye-laws which must be thoroughly examined by the director of co-operatives with the aid of other co-operative professionals in accordance with the stipulated law/acts guiding co-operative practices. It is never expected to go contrary with the constitution of the state or country.

- There must be sanity and total adherence to the rule of law in all level of operation/ as some of the cases where security operatives were the one's to breach the trust in the profession.
- There must be an authentic and must be frequent report purely documented for any future actions wherever necessarily needed.
- Youth co-operatives should be educated to meet the current trend in E. co-operative activities to be absorbed with international standard
- Effectiveness in communities and made available with all the necessary gadgets.
- Technological development to promote productivity and enhances economic technological growth.

- Youth co-operative should be actively competitive in service delivery rather than dormancy and incapacitation
- Marketing of co-operative business must be secured in a conducive environment with effective required facilities for outmost development.
- There should be a good compensation model, upon which youth would be encourage to participate and attract their younger ones
- Transparency in actualization of objectives must be clearly maintain and accorded to the rules of law and the bye-byes.
- Government should always serve as a foreseer and supporting agent to such youth development practices, approach and achievements
- Youth co-operative security wise happen to be a formidable government partner in progress, the challenges and prospect are mainly to assist government to realized its plans and programs of both social and economic development.

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Analysis of Platform Cooperative and FinTech Value Proposition: The Microfinance Cooperative Digitalization take-away.

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Abstract

Digitalization is the process of converting information into a digital format. Increasingly, businesses, systems, personal transactions, communication, campaigns, education and gaming has largely being digitalized for efficiency. Platform Cooperative and FinTechs have adopted digitalization via online platforms for efficiency, as well. This study seeks to analyze Platform Cooperative and FinTechs' value proposition so as to extract digital take-ways for microfinance cooperatives in Nigeria. This study adopted the qualitative comparative analysis approach. Results of the findings show that, platform cooperatives primarily emphasized putting the needs of the consumer (members) first and go out of their way to meet those requirements, whether they are local or regional. This is similar to most FinTechs that adopts their products across generational lines so as to guarantee that customers are satisfied. Also, majority of platform cooperatives rely on networks known as "local node." This is not the case with FinTechs, which does not necessarily emphasize locality or regions in their business but rather operate Real-time transactions and secure transaction. Platform cooperatives offers social values and provides the objective of legal and failure safety by their form of registration (limited liability) while FinTechs offers low costs through disintermediation. It was that the microfinance cooperatives employ the use of digital online platforms to improve their flexibility, easy of administering and satisfying of member's (customer) needs, customization to member's (customer) needs, automation, transparency, integration, safety, reduced costs of operation and improved appeal.

Keywords: Cooperatives, Platform Cooperatives, FinTech, Value Proposition, Microfinance Cooperative, Digitalization.

Introduction

The digital age is upon us today. Around us; businesses, systems, personal transactions, communication, campaigns, education and gaming has largely being digitalized for efficiency. Digitalization is the process of converting information into a digital format. The result is the representation of an object, image, sound, document or signal in a form that can be

processed by a computer. According to Panos (2020), digitalization is the collection of resources that show how digital technology may be used to address problems faced by farmers and other actors along the value chain, such as agribusinesses and cooperatives. In other words, it is the use of digital technologies for digital procurement by enabling the transition from paper to digital for a range of systems and processes for

agribusinesses and cooperatives.

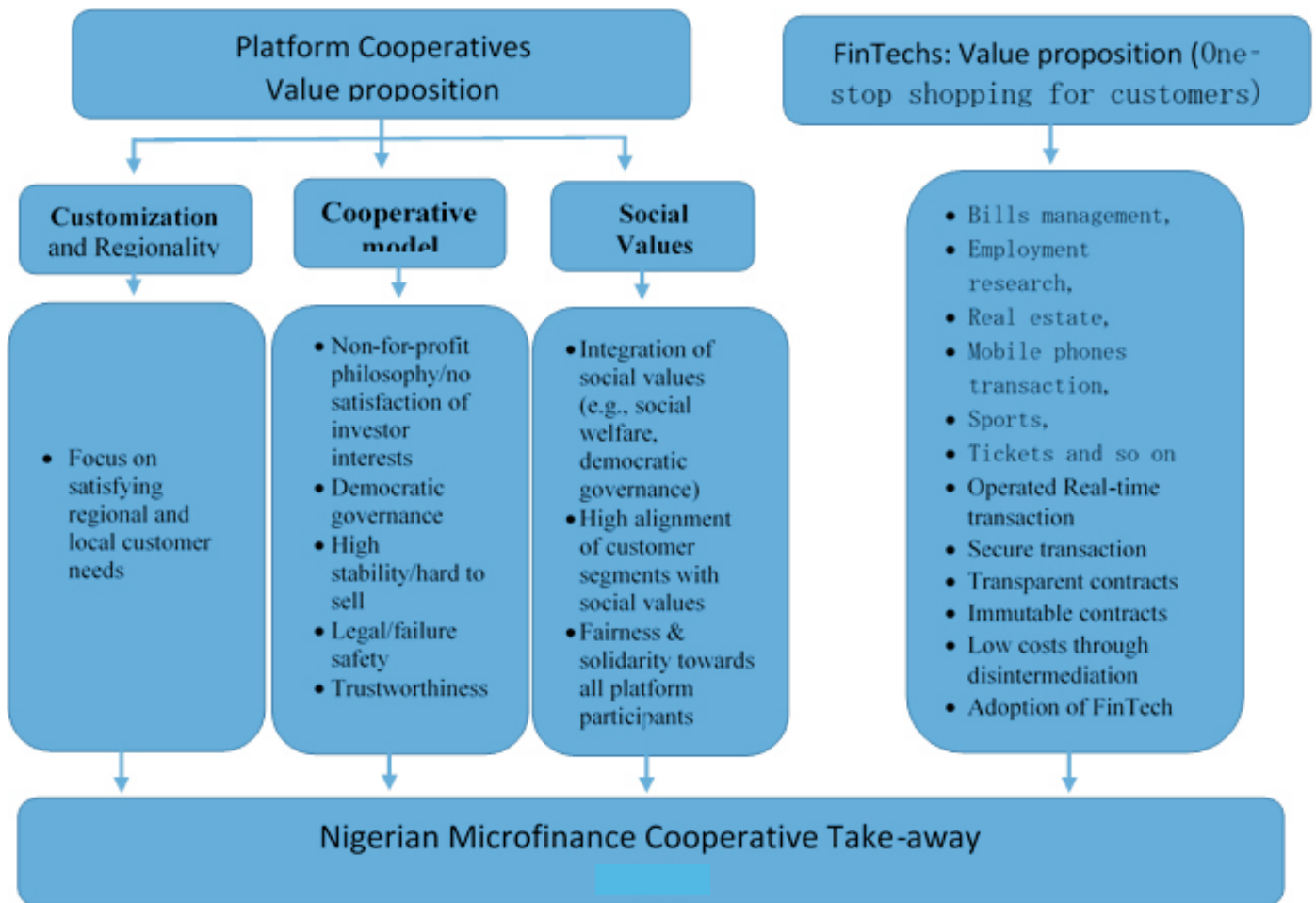
Historically, cooperatives are an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Basically, seeking to provide greater benefits to the members such as increasing individual income or enhancing a members' way of living by providing important needed services, leveraging on it localization policy. There are many different kinds of cooperatives, including agricultural cooperative societies, consumer cooperative societies, cooperative multipurpose societies, cooperative thrift and credit societies, cooperative marketing and investment societies, workers cooperative societies, fishermen cooperative societies, cooperative building and housing societies, cooperative transportation societies, artisan cooperative societies, and so on. Currently, in a bid to oppose the so called “platform capitalism”, described by some scholars as being responsible for the digital disruptions in certain sectors, the “platform cooperatives or cooperativism” is being set up. Platform cooperatives are “businesses that use a website, mobile app, or protocol to sell goods or services. They rely on democratic decision-making and shared ownership of the platform by workers and users” (Platform Cooperativism Consortium, 2020). Platform cooperatives place a greater emphasis on social values (such as solidarity and equality) than on the useful values

of the capitalist economy (such as efficiency and self-interest) (Martin et al., 2017). As such, "resources, inputs, procedures, or policies are combined to produce benefits in the lives of people or society as a whole", this is clearly what we mean when their efforts are termed "social values" (Emerson et al., 2001). Equality, democracy, sustainability, justice, solidarity, and environmental advantages are examples of social values (Zhu and Marjanovic, 2021, Martin et al., 2017). This new digital approach to cooperative business is gaining grounds and bridging the microfinance needs while presenting critical value propositions.

In terms of bridging the financial gaps and presenting critical value propositions are Financial Technology (FinTech). FinTech refers to the application of technology to streamline and automate the usage of and delivery of financial services. It is significant to emphasize that non-bank led businesses are the present successful operators of FinTech. At the start of their operations, FinTech companies concentrated on offering the following services: cash receipt and transfer, utility bill payment, prepaid mobile phone service, and mobile wallets that allowed for both cash deposits and withdrawals.

Hence, this work seeks to analyze the Platform Cooperative value proposition alongside that of FinTechs, so as to extract the Nigerian Microfinance Cooperative take-away from the Digitalization perspective.

Conceptual Framework



The Cooperative Concept

International Cooperative Alliance (ICA) statement on Cooperative Identity (ICA, 1995) describes a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”. In the same light, USAID (2016) defines cooperative society as a member-owned-and governed business whose primary function is to provide goods and/or services, frequently financed by member loans and equity, to its member owners, leveraging the combined buying, selling, and servicing power of its members to achieve economic betterment through either the distribution or reinvestment of profits, or the increasing value of its members' equity based upon its members' usage. Cooperatives are by definition a sustainable and inclusive form of business since they are value-based and principle-driven enterprises. It places emphasis on job security and improved working conditions, pay competitive wages, promote additional income through profit-sharing and distribution of dividends, and support community facilities and service, which is in line with its principle of concern for community, providing services such as health clinics and schools, town hall and so on. Cooperatives foster democratic knowledge and practices and social inclusion, making them well-placed to support the achievement of sustainable development. Cooperatives have also shown resilience in the face of the economic crises. Hence, cooperatives are well-placed to contribute to sustainable development's triple bottom line of economic, social and environmental factors.

Researchers considers these variables as strong indicators in cooperatives sustainability; profitability, cooperative resilience, age of cooperative, business volume, competitive strategy, size of

firm/cooperative and access to credit.

Digitalization Process

Digitalization is the process of using digital technologies to create or modify products, business processes, and customer experiences (Leticia, Francisco, Jacob and Gabriela, 2020).

Panos (2020) describes digitalization as the collection of resources that illustrate how digital technologies can address issues of farmers and value chain actors, such as agribusinesses and cooperatives.

There are several digital solutions to address the various processes agri-cooperative stakeholders (crop buyers and producers) face. These solutions include;

1. Information delivered via mobile to support better agricultural practices,
2. Mobile money payments for the procurement of crops (banks and fintech),
3. Tools to create digital profiles for farmers,
4. Track-and-trace and farm management systems,
5. Internet of Things (IoT) applications,
6. Precision agriculture and predictive analytics tools.

Holistic digital agriculture tools integrate multiple solutions to address the challenges commodity buyers face when procuring crops from farmers (Panos, 2020).

Business Digitalization Process

In a broad sense, digitalization is the process through which an organisation uses various digital tools, technology and ecosystems to provide greater value from its existing as well as new products and services for customers and clients usually through new customer experiences, solutions and business models.

Digitalization relies on the ever faster adoption of digital technologies (DTs), fundamentally changing societal conventions and organizational routines (Gimpel, et. al 2018; Legner, et. al 2017). Classifications of DT used in digitalization abound, for example Distributed ledger, Artificial

intelligence, Extended reality, and Quantum computing technologies (DARQ) and Social, Mobile, Analytics, and Cloud technologies (SMAC). Also, there is the "Internet of Things" which has billions of connected devices working per time. Regardless of the classification of DT or name ascribed to it, they are meant to transform and improve the business ecosystem. In order for organizations to succeed, social and technical processes must be coordinated, which will ultimately call for a thorough understanding and coordination of various organizational components, including people, skills, business processes, machines, infrastructure, and transformation projects. According to Marie-Sophie(2020) citing Braun et al. (2005) and Vanwersch et al. (2016), submitted that the method for exploiting the digitalization potential of business processes consists of five elements (E), namely: Activities, (i.e., E.1 – tasks with the goal of creating outputs), techniques (i.e., E.2 – instructions for the execution of an activity), tools (i.e., E.3 – to support the execution of a related activity), roles (i.e., E.4 – actors involved in the execution of an activity), and a distinct output (i.e., E.5 – output such as the documentation of an activity). Besides additional attributes such as goal orientation, systematic approach, principles orientation, and repeatability, methods in general must feature the mentioned elements (E) in order to fulfill the requirements of a method's definition.

Platform Cooperative

Platform cooperatives are “businesses that use a website, mobile app, or protocol to sell goods or services. They rely on democratic decision-making and shared ownership of the platform by workers and users” (Platform Cooperativism Consortium, 2020). Platform cooperatives place a greater emphasis on social values (such as solidarity and equality) than on the useful values of the capitalist economy (such as efficiency and self-interest) (Martin et al., 2017). As such, "resources, inputs, procedures, or policies are

combined to produce benefits in the lives of people or society as a whole", this is clearly what we mean when their efforts are termed "social values" (Emerson et al., 2001). Equality, democracy, sustainability, justice, solidarity, and environmental advantages are examples of social values (Zhu and Marjanovic, 2021, Martin et al., 2017). Platform cooperatives combine the cooperative structure with the platform model.

Watkins (1986) identified seven guiding principles that cooperatives adhere to. They are as follows: (1) Association or unity: Members voluntarily associate with one another; (2) Economy: Cooperatives have an economic purpose; (3) Democracy: Power is exercised through voting, and the general will is taken into consideration; (4) Equity: Power is distributed equally and fairly; (5) Liberty: Members have the freedom to join or leave; (6) Responsibility: Members uphold the cooperative as a whole; and (7) Education: Members educate one another

(Kollmann et al., 2020).

The ownership model is thus a key differentiation from commercial platforms. Platform cooperatives could exist according to Scholz, (2016), as;

- i. "Public-owned" ownership
- ii. "User-owned" ownership
- iii. "Producer- or Worker-owned" or "Producer-owned" ownership

"User-owned" platform cooperatives are solely owned by their users, in contrast to "public-owned" platform cooperatives, which are largely held by public stakeholders like municipalities, local governments or state. In the most prevalent variety of worker-owned platform cooperatives, only complementors are the cooperative's owners; however, in "Producer" ownership, which combines the terms "user" and "producer," both users and complementors are platform cooperative members (Scholz, 2016).

Table 1: Platform Cooperative Value Proposition

BMC dimension	Characteristic dimension	Characteristic	Challenges	Success potentials
Value Proposition	Customization and regionality	<ul style="list-style-type: none"> Focus on satisfying regional and local customer needs 		<ul style="list-style-type: none"> Targeted satisfying of customer needs, flexibility & customization Extension of the regionality principle (e.g., via "local node" networks)
	Cooperative model	<ul style="list-style-type: none"> Non-for-profit philosophy/no satisfaction of investor interests Democratic governance High stability/hard to sell Legal/failure safety Trustworthiness 	<ul style="list-style-type: none"> False image or lack of knowledge about cooperatives by the public 	<ul style="list-style-type: none"> Educating people about the principles and advantages of cooperatives
	Social values	<ul style="list-style-type: none"> Integration of social values (e.g., social welfare, democratic governance) High alignment of customer segments with social values Fairness & solidarity towards all platform participants 	<ul style="list-style-type: none"> Far too little consideration for social business model aspects by the public People underestimate the value of social business models Low cost -benefit awareness of platform stakeholders 	<ul style="list-style-type: none"> Promotion of social welfare Educating people about the costs of social business aspects Expanding the social values to attract all sides of the multi-sided market Sharpening the social profile through open - source use

Source: Philipp et al. (2021).

Customization and Regionality - Platform cooperatives emphasize the importance of putting the needs of the consumer first and go out of their way to meet those requirements, whether they are local or regional. Platform cooperatives, as opposed to major commercial platform corporations, are able to respond to client needs with a great deal of flexibility, according to Philipp et al. (2021). The majority of platform cooperatives rely on networks known as "local node." The subsidiarity principle serves as the foundation of local node networks. The term "subsidiarity" refers to the notion of self-governance, which states that people or organizations at lower hierarchical levels should, to the greatest extent feasible, carry out activities and make choices on their own initiative. Only when lower hierarchical levels' competencies are insufficient to complete the duties do higher hierarchical levels or institutions step in.

The Cooperative model as safety - It provides the objective of legal and failure safety while also providing stability and liability. Freelancers are given the opportunity to have their orders processed by the cooperative. The cooperative form offers the customers of platform cooperatives the security that the company cannot be sold or can only be sold with difficulty (Philipp et al., 2021).

Social Value - The framework of social ideals that the platform cooperatives uphold is by far their most significant value proposition. They actively support democratic processes by directing platform services primarily at eco-social change organizations. They also support cultural movements and social networking, both of which endeavor to advance genuine, real, non-profit tourism. Many platform cooperatives mention their open and democratic governance mechanism when discussing transparency. For many of them, the subject of data exploitation and data protection is also crucial (Philipp et al 2021)

FinTech (Financial Technology)

A FinTech organization is a financial start-up, which uses innovative technology solutions to

improve financial performance (Nicoletti, 2017). FinTech companies enhance financial sector applications, practices, processes, products, business models, and concepts. Any banking innovation that is solution-driven and includes software, applications, procedures, products, and services is referred to as FinTech.

According to Adebayo, (2021) "Financial Technology (FinTech) describes the use of technology to simplify and automate the utilization and delivery of financial services". FinTech helps both businesses and their customers facilitate, manage and expand their financial interactions through internet-enabled software and devices.

The Central Bank of Nigeria's (CBN) framework on mobile and agency banking, which aimed to encourage and facilitate the development of an effective and efficient system for the settlement of transactions, including the development of electronic payment systems and the promotion of Mobile Money Services, served as the impetus for the EFINA study. By offering financial services to the more than 80 million Nigerians who do not have bank accounts and integrating them into the formal financial economy, the framework's main goal was to advance a cashless society. This framework's importance was based on the reality that 57% of Nigerians reside in rural areas, where financial institutions do not see an economically feasible place for them to do business. The potential benefit of electronic financial services and payment systems in Nigeria was stressed. The framework determined three models for implementation, namely.

1. Bank-Focused – Referring to a Financial Institutions as Lead Initiator
2. Bank Led – Referring to a Financial Institutions and its Consortium as Lead Initiator.
3. Non-Bank Led – Referring to a licensed corporate organization Lead Initiator.

It is significant to emphasize that non-bank led businesses are the present successful operators of

FinTech.

According to Adebayo (2021), the Agent Network is a part of the FinTech ecosystem and is currently its most crucial element. The initial point of contact for early users of FinTech is the agents. Customers first interact with the items and develop faith in the services at this point. According to the CBN, there are currently more than 150,000 agents acting as touch points for FinTech companies. Together with the operators, it set a bold objective to increase the number to 500,000. This amounts to 150,000 currently operating firms seeing a boost in revenues and profitability as a result of acting as FinTech agents (Adebayo, 2021)

Benefits and Challenges of FinTech

According to PwC (2016, June), there are four key impacts of FinTech organizations on the financial system, they are:

- Changes in entry barriers (typically easing them, but in some cases, the growth of FinTech organizations may stiffen such obstacles, say by imposing higher technological requirements);

- Decreased significance of traditional financial institutions; and Increase in the use of alternative funding sources (outdated by distinct types of networks for, say, payment processing).
- Distinct sorts of financial markets or institutions have fuzzier borders (banks and nonbank organizations, say).
- The emergence of new (often difficult) obstacles for financial authorities (owing to the provision of financial services and products by previously unregulated organizations outside the financial industry).

FinTech Value Propositions

According to Klimontowicz and Harasim (2019), conventional company models have generally developed and followed the value propositions of earlier ones. They have tried to meet specific requirements and criteria of significant clients with products and services. The following products and procedures are part of their value proposition.

Table 2. Some Suggested value proposition of FinTech business models

	Banks’ Business Model	Value Proposition
Klimontowicz and Harasim (2019)	Trust operator model	One- stop shopping for customers, including all kinds of personal or family services: domestic chores, bills management, employment research, real estate, mobile phones, journeys, sports and other tickets.
Moron, Katherine Villalobos	FinTech Business Model Value proposition	Improved efficiency (lower costs) Flexible transaction amount Increased revenue for businesses Solution to all payment needs; bulk payments No deductions on the payee’s accounts Same-day Full Value Transfer COVID Virus Mitigation
Nicoletti, B. (2021)	FinTech Business Model Value proposition	Right product, financial management, money management, data analysis systems, lower the costs associated with lending both for customers and lenders Automated online trading and payment service.

Source: authors' compilation

From the table above this study is concerned with the sub division of the contemporary bank's business model called Trust Operator model because it is the only model therein which does not require banks to operate.

Noteworthy along this lines, is the compilations of Welsch, Dürr, and Thiesse, (2020), in recent publication on business model canvas of blockchain-based FinTech startups. Below is a summary of their submissions.

Table 3: Welsch, Dürr, and Thiesse, (2020) compilations consolidated Business Model Canvas of Various FinTech

Key Partners <ul style="list-style-type: none"> • Technical partners (e.g., IT-security) • Strategic partners (e.g., external consultants) • Investors 	Key Activities <ul style="list-style-type: none"> • Administration • Sales and marketing • Research and development • Customer service • Business partnering 	Value Propositions <ul style="list-style-type: none"> • Real-time transaction (W, L, CFP, O) • Secure transaction (W, O) • Transparent contracts (L, S, CFP, O) • Immutable contracts (L, S, CFP, O) • Low costs through disintermediation (all) 	Customer Relationships <ul style="list-style-type: none"> • Social media, blogs, newsletter • Customer support • Involvement through open source projects • Loyalty bonus 	Customer Segments <ul style="list-style-type: none"> • Cryptocurrency traders (all) • Individuals without access to financial services (L, CFP) • New customers without cryptocurrency experience (W, CFP) • Companies and startups (L, S, CFP, O) • Niche groups (e.g., migrant workers) (W)
	Key Resources <ul style="list-style-type: none"> • Software (all) • Expert know-how (all) • Credit card (W, CFP) • Smart contracts and algorithms (L, S, CFP, O) 		Channels <ul style="list-style-type: none"> • Online platform • Mobile application • Open source code • APIs 	
Cost Structure Research and development costs Marketing costs Licenses and legal costs Operating costs (incl. labor costs)		Revenue Streams ICO earnings (all) Platform fees and subscriptions (all) Transaction costs (W, CFP, O) Fees for additional services (e.g., smart assistants, credit cards) (W, L, S, CFP) APIs (W, O)		

Others Elements apply to all categories

Elements vary across categories

W: = Wallets

L: = Lending

S: = Savings

CFP: = Comprehensive Financial Platforms

O: = Others

A careful observation of the column Value proposition, representing the most value being proposed by the FinTechs under review by the authors from table 3, will reveal that they all had the following;

- **Operated Real-time transaction (W, L, CFP, O)** - meaning they had wallets options which their customers/consumers could use. They were lending; have Comprehensive Financial Platforms and other value propositions not listed.
- **Secure transaction (W, O)** – The startups had secured transactions on all their channels; online platforms, mobile applications, open

source code and APIs.

- **Transparent contracts (L, S, CFP, O)** - this means that they operated a transparent contract in their lending, savings, Comprehensive Financial Platforms, and other value propositions not listed.
- **Immutable contracts (L, S, CFP, O)** - this means that they operated an immutable contract in their lending, savings, Comprehensive Financial Platforms, and other value propositions not listed.
- **Low costs through disintermediation (all)** - this means that they operated Low costs through disintermediation in their wallets, lending, savings, Comprehensive Financial

Platforms, and other value propositions not listed.

Adoption of FinTech Across Generational Lines

Klimontowicz, and Harasim, (2019) citing Klimontowicz, Harasim, (2017) argues that, the different expectations, experiences, generational history, lifestyles, values, and demographics influence the purchase behavior. Additionally, these factors differ among generations.

Although they are open to internet and mobile banking, members of Generation X still favor in-person branch banking and in-person counseling services. They will, however, want a high level of customization from their digital banking experience. Mobile banking is easily adapted by generations Y and Z. Generation Z should be considered an important consumer demographic for mobile banking because it is a transaction-rich segment (Arnfield, 2015; 2016). Customers have a fundamental set of needs that are unlikely to change over the coming years, regardless of their generation. Simplicity, portability, free or inexpensive, security, real-time immediacy, flexibility and choice, preferences specialization, and refunds are a few of them (EBA, 2014). Digital channels have already been adopted by all generations. Mobile channels have a much higher chance of delighting users, boosting loyalty through higher retention, repeat business, and recommendations.

Micro Finance Cooperatives

Micro-financing is an act of providing micro banking services such as savings, loans, domestic funds transfer, and other financial services needed by the efficiently active poor, micro, small and medium enterprises to expand their businesses as defined by the guidelines establishing microfinance banks. (Federal Government of Nigeria, 2005). Therefore, it would be safe to describe micro finance cooperatives as those cooperative societies that provide micro banking services such as savings, loans, domestic funds transfer, and other financial services needed by the efficiently active poor, micro, small and

medium enterprises to expand their businesses. Cooperatives that provide microfinance services are called Financial Co-operative or credit Co-operatives. Financial Co-operatives are member-owned financial service providers, also called savings and credit Co-operatives (SACCOs), savings and loan associations, credit unions, or building societies - a special form of Co-operative that mobilizes microfinance for its members as well as savings to finance housing. Okonkwo (2018) refers to financial Co-operatives as including those Co-operatives registered in some countries with these names; Co-operatives Thrift and Credit Societies (CTCS), Co-operatives Investment and Credit Societies (CICS) and Co-operatives Thrift and Loan Societies (CTLS). As the name implies, the essence of forming such Co-operative is for members to invest funds on profitable investment that can yield good dividends. To achieve the objective, members source for funds. Members are required to subscribe for the shares as a requirement of membership or make periodic contributions so as to mobilize funds from which members can borrow. Financing in summary for this Co-operative is through share capital subscription, reserves, and external loans.

Like most Co-operatives, financial Co-operatives have its membership localized (depending on the country and laws guiding it) and usually members have the same socio-economic interests.

They offer loans at low interest rates compared to other microfinance institutions. They occasionally declare surplus from which dividends are distributed to shareholding members. Its governance structure is through a democratically driven management committee.

Methodology

This study adopted the qualitative comparative analysis approach. Evaluation process – the evaluation process was based on the qualitative contents analysis according to Mayring (2015).

Results:

Comparison of Platform Cooperative and FinTech Value Proposition

Table 4: Comparison of Platform Cooperative and FinTech Value Proposition

	Platform Cooperative Value Proposition		FinTech Value Proposition
BMC dimension	Characteristic dimension		BMC dimension
Value Proposition	Customization and regionality	<p>Characteristic</p> <ul style="list-style-type: none"> Focus on satisfying regional and local customer needs <p>Success potentials</p> <ul style="list-style-type: none"> Targeted satisfying of customer needs, flexibility & customization Extension of the regionality principle (e.g., via “local node” networks) 	<ul style="list-style-type: none"> ❖ Operated Real - time transaction ❖ Secure transaction
	Cooperative model	<p>Characteristic</p> <ul style="list-style-type: none"> Non-for-profit philosophy/no satisfaction of investor interests Democratic governance High stability/hard to sell Legal/failure safety Trustworthiness <p>Success potentials</p> <ul style="list-style-type: none"> Educating people about the principles and advantages of cooperatives <p>Challenges</p> <ul style="list-style-type: none"> False image or lack of knowledge about cooperatives by the public 	<ul style="list-style-type: none"> ❖ Transparent contracts ❖ Immutable contracts ❖ Low costs through disintermediation
	Social values	<p>Characteristic</p> <ul style="list-style-type: none"> Integration of social values High alignment of customer segments with social values Fairness & solidarity towards all platform participants <p>Success potentials</p> <ul style="list-style-type: none"> Promotion of social welfare Educating people about the costs of social business aspects Expanding the social values to attract all sides of the multi-sided market Sharpening the social profile through open-source use <p>Challenges</p> <ul style="list-style-type: none"> Far to o little consideration for social business model aspects by the public People underestimate the value of social business models Low cost -benefit awareness of platform stakeholders 	<ul style="list-style-type: none"> ❖ Adoption of FinTech across Generational Lines

Source: Authors’ compilation

Discussions of Findings

Highlight on some areas of similarity and differences between the platform cooperatives and FinTechs in terms of their value propositions to customers

1. **Primarily**, Platform cooperatives emphasize the importance of putting the needs of the consumer (members) first and go out of their way to meet those requirements, whether they are local or regional. This is similar with most FinTechs, considering that they often seek to adoption their products across generational lines so as to guarantee that customers are satisfied, which in essence simply portend that customer satisfaction is import to both platform cooperative and FinTechs.
2. Platform cooperatives, as opposed to major commercial platform corporations, are able to respond to client needs with a great deal of flexibility, according to Philipp et al. (2021). The majority of platform cooperatives rely on networks known as "local node." This is not the case with FinTechs, which does not necessarily emphasize locality or regions in their business but rather operate Real-time transactions and secure transaction. Such subsidiarity principle of the platform cooperatives serves as the foundation of local node networks. The term "subsidiarity" refers to the notion of self-governance, which states that people or organizations at lower hierarchical levels should, to the greatest extent feasible, carry out activities and make choices on their own initiative. Only when lower hierarchical levels' competencies are insufficient to complete the duties do higher hierarchical levels or institutions step in. This is not the case with FinTechs.
3. Platform cooperatives provides the objective of legal and failure safety while also providing stability and liability. The cooperative form of registration (limited liability), offers the customers (members) of platform cooperatives the security that the company cannot be sold or can only be sold with difficulty. This guarantees the opportunity to non-member or freelancer, to do business with the cooperative. Similarly, FinTechs, offer transparent contracts and Immutable contracts meaning that they operate a transparent and immutable contract in their lending, savings, comprehensive Financial Platforms, and other value propositions.
4. Platform cooperatives offer social value. The framework of social ideals that the platform cooperatives uphold is by far their most significant value proposition. They actively support democratic processes by directing platform services primarily at eco-social change organizations. They also support cultural movements and social networking, both of which endeavor to advance genuine, real, non-profit tourism. Many platform cooperatives mention their open and democratic governance mechanism when discussing transparency. For many of them, the subject of data exploitation and data protection is also crucial. As for the FinTechs, social values is not primarily highlighted or emphasized.
5. FinTechs offer Low costs through disintermediation (all) - this means that they operated Low costs through disintermediation in their wallets, lending, savings, Comprehensive Financial Platforms, and other value propositions. Platform cooperatives also, should save some money operating mostly on a platform, considering that they no longer have need for physical structures to operate.
6. Adoption of FinTech across Generational Lines - the different expectations, experiences, generational history, lifestyles, values, and demographics influence the purchase behavior. These factors differ among generations. As observed, members of Generation X are

open to internet and mobile banking, yet they still favor in-person branch banking and in-person counseling services. They will, however, want a high level of customization from their digital banking experience. Mobile banking is easily adapted by generations Y and Z. Generation Z should be considered an important consumer demographic for mobile banking because it is a transaction-rich segment. Customers have a fundamental set of needs that are unlikely to change over the coming years, regardless of their generation. Simplicity, portability, free or inexpensive, security, real-time immediacy, flexibility and choice, preferences specialization, and refunds are a few of them. Digital channels have already been adopted by all generations. Mobile channels have a much higher chance of delighting users, boosting loyalty through higher retention, repeat business, and recommendations. Platform cooperatives are adopted across felt need lines.

Microfinance Cooperative Take-away

Microfinance cooperatives, which includes all cooperatives into credit and related services should consider adopting some value propositions as proposed by platform cooperatives as well as some critical advantages which today's FinTechs presents. The following some take-away for microfinance cooperatives, from the value propositions as extracted from both platform cooperatives and FinTechs;

1. It is imperative that, any cooperative enterprise involved in credit, loans or thrift administration and disbursement should consider the use of digital platforms for flexibility, easy of administering and satisfying of member's (customer) needs, customization to member's (customer) needs and automation.
2. Microfinance cooperative enterprise should adopt the digital platform model to improve both horizontal and vertical

integration (network). As observed, majority of platform cooperatives rely on networks known as "local node." Such networks requires people or organizations at lower hierarchical levels to carry out activities and make choices on their own initiative on one hand and those at a high hierarchical levels perform certain activities too digitally.

3. Microfinance cooperatives should adopt digital platform model for safety. As observed, majority of platform cooperatives register limited liability companies, which offers the security that the company cannot be sold or can only be sold with difficulty.
4. Microfinance cooperatives should adopt digital platform model for low cost of administration and operations.
5. Microfinance cooperatives should adopt digital platform model so as to appeal to customer/user base. For a cooperative that is youth-centered, they should be customizing their platform to appeal to the youth demography with products that have internet and mobile banking appeal. Irrespective of generation for a digital platform to have an appeal it should be simple to use, portable, free or inexpensive, secured, real-time, flexible and choice, preferences specialized, and money-back guarantee for failed services.

Conclusion

In conclusion, despite the pace at which FinTechs are moving and the innovations the platform cooperatives are introducing into the business space, it is important that microfinance cooperative in line with their core mandate to satisfy the members adopt only values which would improve their already existing services. Therefore, since value propositions like; digital platforms improving flexibility, easy of administering and satisfying of member's (customer) needs, customization to member's (customer) needs, automation, integration, safety, reduced costs of operation and improved appeal,

have worked for platform cooperatives as well as FinTechs, microfinance cooperative should adopt them to be in tandem with the digital age.

Recommendations

It is recommended that microfinance cooperatives employ the use of digital online platforms to improve their flexibility, easy of administering and satisfying of member's (customer) needs, customization to member's (customer) needs, automation, transparency, integration, safety, reduced costs of operation and improved appeal.

Also, scholars should investigate real adoption of digital platforms among Nigerian cooperative business enterprises.

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COOPERATIVE GOVERNANCE: A BEDROCK FOR BUILDING A BETTER NATION”

BY

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Abstract

This paper examines cooperative governance as a bedrock for building a better nation. The key objectives of the study are to examine the significance of cooperative governance in national building, to determine the extent to which cooperative governance have contributed to national building and to assess the challenges cooperative societies encountered that mitigate their performance in building a better nation. This study argues that cooperative governance has a key role to play in transforming and building a better nation especially in emerging economies. It looks at the contributions that cooperative organizations have made in responding to the previous and ongoing crisis in different regions. This article discusses significance of cooperative governance and possible challenges it encountered in contributing to national building. The study concludes that good cooperative governance is accepted as a vital strategy to achieving the millennium development goals and as a pre-condition for sustainable economic growth. It recommends therefore that there is need for government to have a hand in the general development and sustainability of cooperative societies in the country since these organizations have glaring positive impact on the generality of the Nigerian populace and on socio-economic and national development.

Keywords: *Cooperative, Governance, Development, National, and Society.*

INTRODUCTION

Background of the Study

Cooperative governance is the act of steering cooperatively owned enterprises toward economic, social, and cultural success. It consists of answering key questions, defining roles and responsibilities, and establishing processes for setting expectations and ensuring accountability. The need for cooperative governance can no longer be over emphasized following its pertinent contribution to national building since the outbreak of novel coronavirus disease in March, 2020. Co-operatives are active in every sector of the global economy (Brito, 2020). A key distinguishing feature is that co-operatives create

wealth for the many members of co-operatives who engage in co-operative businesses as service users, producers, independent business owners, consumers, and workers¹, not solely for the few who are rich enough to invest capital in investor-owned enterprises. Co-operatives help counterbalance the massive growth of inequality between the worlds rich and poor; an issue that, if not addressed, has major economic, social, cultural, environmental, and political consequences.

Reflecting on 2020 is a sobering reality with a global pandemic, climate-induced wildfires and extreme weather events, racial unrest, and growing hunger and poverty. These have

devastated the lives of billions of people and stalled global efforts to advance the 2030 agenda at local, national, and global levels in the globe (Adnan, Khan, Kazmi, Bashir & Siddique, 2020). Despite the scale and severity of these forces on the world right now, this is not the first time we've had to confront these kinds of crises, and the consequent need for concerted and coordinated action. In 1996 Maurice Strong delivered the CGIAR Crawford Memorial Lecture. The question facing the world, then as now, was whether we could produce all of the food required to satisfy the needs and the appetites of the planet. Strong argued affirmatively while recognizing the huge challenges, uncertainties, and vulnerabilities inherent in that task. He argued: "What seems certain is that in order to meet these needs and to make the transition to sustainable agriculture, will require a radical overhaul of government policies and a degree of cooperation amongst nations, institutions and peoples on a scale without precedent in human experience. This means moving agriculture back into the centre of the international and national agendas and it means confronting this challenge with new policy and management regimes that are systemic in nature, that recognize and are able to deal with the complex, inter-acting relationships in the physical, economic and social domains which will be the only viable pathway to a sustainable future." Hence, it is imperative that public and private organizations become more intentional in implementing sound governance practices and adapt the corporative governance framework to address these challenges.

It could be argued that from the point of view of their operational framework, cooperatives work towards fair globalization – one that is fundamentally inclusive, sustainable and people oriented. They achieve this by creating business entities that promotes solidarity among the people, greater accountability, deep partnership and fair roles and standards that offer equitable opportunities for all (Abosede and Onakoya, 2013).

Cooperatives operate as a sure source of loans for members. The existence of cooperative

organizations have broken the age long lending monopoly of money lenders and other financial houses with their prohibitive interest rates which does more harm than good to the beneficiaries.

Cooperatives do not only instill savings habits in members, they also have greater synergy among its members. This has metamorphosed cooperatives to own large industrial and distributive trades. A typical example is in Kenya where cooperatives own railway transport businesses and many textile factories. In Calabar, the capital city of Cross River State, the University of Calabar multipurpose cooperative is a proud owner of landed properties, estates and assets. It should also be mentioned that western Nigeria has gone steps further with the establishment of a cooperative school where auditors and inspectors are being trained to audit and inspect the activities of various cooperative societies to avoid fraud, misappropriation and maladministration.

It was posited by Akanni and Gabriel (2020) that on the whole, cooperative societies could be noted as veritable engines of economic development and human capacity building among the governments of West African States. Their impact is also felt from the rural to the urban areas. The cooperative societies in Nigeria has aided the accumulation of natural resources and the promotion of agricultural export crop and thereby helping to increase the volume of foreign exchange which is needed for economic development and transformation. Therefore, cooperatives can be more effective by functioning hand in hand with government approved programmes for the benefit of the people.

Statement of the Problem

It is obvious that emerging nation economies are facing the negative effect of damages caused by the outbreak of the pandemic. Hence the need for sustainable cooperative governance is a key factor to ameliorate national issues on ground.

Governance systems - rules, practices and processes by which an organization is directed and controlled - are self-imposed rules in cooperatives. In other words, members, through a

democratic process, devise their own rules and regulations to ensure their goals are met over the long term, to prevent oligarchy and abuse of power, and to ensure stewardship over jointly owned assets. This is an evolutionary and dynamic process of adaptation to changes in external or internal conditions.

If they assume human behaviour to be consistent with agency theory, co-operatives may implement controls and governance structures that reinforce this behaviour as a 'self-fulfilling prophecy'. Instead, we argue, they need to design governance systems to induce stewardship and multi-stakeholder engagement. Co-operative members and leaders need to take into account complexity, uncertainty and human psychology as well when shaping their governance structures and control mechanisms.

The humanistic perspective suggests organizational commitment to total value creation, rather than just shareholder value, and includes equitable distribution of rewards to all key stakeholders.

However until now little attention has been paid to the governance needs of other institutional forms of business such as co-operatives despite their considerable presence in many developing countries. The co-operative sector as a whole remains poorly understood and its specific governance challenges remain as yet largely unexplored. Thus, this present paper is devoted to studying cooperative governance as a bedrock for building a better nation.

Objectives of the Study

The main objective of the study is on cooperative governance – a bedrock for building a better nation, while the specific objectives are to:

- i. Examine the significance of cooperative governance in national building
- ii. Determine the extent to which cooperative governance have contributed to national building
- iii. Assess the challenges cooperative societies encountered that mitigate their performance in building a better nation

Research Questions

The above specific objectives were addressed

with the following research questions:

- i. What are the significance of cooperative governance in national building?
- ii. What is the extent to which cooperative governance have contributed to national building?
- iii. What are the challenges cooperative societies encountered that mitigate their performance in building a better nation?

The Concept of Cooperative Governance

Cooperative governance means that the three spheres of government should work together (cooperate) to provide citizens with a comprehensive package of services. The Constitution states that the three spheres have to assist and support each other, share information and coordinate their efforts. Cooperative societies are formed based on certain principles which distinguished them from other business organizations. Odey (2019) asserts that such principles may be based upon the new models of scientific management of businesses and applied economics. Similarly, Mahazril Aini, Hafizah and Zuraini (2012) asserts that there is a great distinction between cooperative societies and non-cooperative businesses. The introduction of cooperative societies, they argued, is to remove the evil effects of the capitalist system of production which did not go down well with the common man's aspiration.

Cooperative societies are known to bring about low prices of goods. Goods are bought directly from manufacturers at factory prices and sold to members at controlled prices thereby making their selling prices to be lower than the operating prices in the open market. Cooperatives are managed along democratic lines. Members, for instance, have equal voting rights, equal opportunity to participate in the management and control of the societies and make inputs to policies.

This organization is noted for its easy formation because it does not require much capital or costly legal procedures to bring it into existence. It has continuity because the death of a member does not

affect the continuity of this business organization. Advertisement is also not needed in selling the goods and services of the societies since majority of the goods are bought by their members. Education benefits are given to members in areas of production, distribution and buying and selling of goods and services through bulletins. The societies have joint pride of ownership. Thus, they are jointly owned and managed by the members. They take decisions and make policies jointly. This infuses a sense of belonging into the members, propelling them to bring out their best (Draheim, 2016).

A form of high standard of living is encouraged among members unlike some other known business organizations. For example, the societies provide essential commodities to members at appropriate prices thereby enabling them to consume goods they would ordinarily not have been able to consume or acquire. They also encourage members to save and give credit facilities to the needy members. All these helps the standard of living of members to improve considerably. Cooperatives sell their goods at controlled and stabilized prices, and also regulate the quantity of goods needed. These activities help to fight inflation and deflation. There is good cordial inter personal relationship among members of the society and their employed staff (Omeje, 2014; Digby and Greffon, 2018).

Because of its benefits to the people, in Kenya, groups of farmers on land settlements are encouraged to join cooperatives to undertake purchase, supply, marketing and hulling of such goods and services like cattle, pigs and coffee. In Nigeria, corporative organizations are also engaged in the collection of savings from weekly wage earners in cities and towns, the selling of foodstuffs, and the erection of shops for its members (Ebi, 2014).

Maslinawati, Intan Waheedah and Arun (2013) is of the view that the cooperative movement if properly organized can facilitate the distribution of goods to all parts of the country at affordable prices. In Nigeria, he argues that part of the goods imported by the Nigerian National Supply Company (NNSC) is distributed through

consumer cooperatives. In addition, the cooperative provides avenue through which the masses may be involved in the production and distribution of goods and services. The participation of the masses in the economy of their country, they argued that it should lead to social peace and harmony. In other words, the involvement of a reasonably large proportion of the Nigerian business cadre in the equitable distribution of goods and services through the agencies of cooperative organizations should go a long way in ensuring hope, trust, confidence, justice and security within the Nigerian populace and society.

Cooperative Governance Impact on National Development

Over the years, there have been significant shifts in the theory of development, and, there is yet no complete agreement on what development really is, and what propels it. One view which seems to summarize its salient features is that which defines development as essentially allocating resources for achieving greater socially satisfying ends (Cechin, Bijman, Pascucci, Zylbersztajn, & Omta, 2013; Aziz, 2020; Adeniyi, 2018).

It is evident from available sources and history that cooperative organizations had by their charges and functions impacted immensely on national development. For example, they are not only charged with developmental activities such as agriculture, transportation and credit creation, they are also catalyst for poverty reduction through the economic and social progress of their members and employees. They achieve this by stimulating their economic activities and enhancing the social fabric of the communities in which they operate (Obasse, 2013).

The organization also stands out as an employment generation forum. This is so because it has to create, improve and protect the income and employment opportunities of its members by providing the limited individual resources of members to create business enterprises that enables members to participate in production, profit sharing, cost-saving or risk taking activities (Adesina, 2018).

It could further be argued that many cooperatives

played the role of becoming buying agents of the marketing boards. They handled a considerable percentage of the supply of cash crops such as groundnuts, cocoa, cotton, palm kernel, palm oil, etc. from the suppliers to the Marketing Boards (Akanni and Gabriel, 2020).

The habit of thrift and savings among the numerous petty traders, craftsmen, semi-skilled and unskilled has been encouraged by the cooperative thrift and savings societies. The Cooperative Supply Association which use the apex organization of the consumers cooperative movement gave financial assistance to building societies, craft societies and provided funds for short term production credit to cooperative societies. Apart from Nigeria, the cooperative system in West Africa has aided the accumulation of national resources and the promotion of agricultural export crops and thereby helping to increase the volume of foreign exchange which is needed for national growth and economic development.

Adesina (2018) opines that cooperative societies serve as engines of social integration and cohesion in the face of inequalities in social capabilities by empowering and giving voice to the poor and to the needy as well as the marginalized groups; and by promoting the organization of federation and alliances. In addition, these organizations play important roles in the global economy as well as in the fostering of peace building among human communities and nations of the world.

Cooperative Governance as an Engine of Sustainable Economic Growth

It could still be argued that the promotion of cooperatives can lead the renaissance for the revival of global economy. This view has been expressed by the international labour organization. Rhyder (2014) also posit that cooperatives are the ones that are more relevant than ever if the world looks ahead at the development challenges and opportunities the job faces over the coming decades. Cooperatives, he further argues, can offer the chances of making extreme poverty and deprivation history to secure

social inclusion, and to reconcile economic and social objectives. Thus, these organizations are capable of creating wealth for the poor, creating jobs for the millions of the unemployed the world over, checking poverty and hunger, and above all, achieving global prosperity.

Cooperatives and other social economic enterprises have shown that they have the capacity to reach many of the poor and excluded that are neither conventional markets for goods and services nor by governments (Olayinka, 2014). A recent study by the ILO and the International Cooperative Alliance (2019) titled “Cooperatives and Sustainable Development Goals” highlights the contributions that cooperative enterprises are making to sustainable development and their potential to do much more from creating employment and enhancing gender equality, providing clean energy and financial inclusion to ensuring food security and extending social protection.

Many of the working poor, the hungry and the excluded are the rural workers, often small holder farmers. Olayinka (2014) opines that, cooperatives have an outstanding track record of overcoming multiple forms of exclusion in rural areas, but not only there, cooperatives are present in all sectors of Nigeria and world economies and are adaptable to a range of contexts. They thus respond to the triple bottom line of sustainable development, economic development, social justice, and environmental protection.

Cooperatives are very much enterprises of the future which play an essential role in complementing conventional markets and government action. This fact is acknowledged explicitly in the outcome document of Rio + 20 conference titled “The Future We Want” (The Guardian, 8 July, 2014). The international community should bear this in mind when setting out the strategies and the means through which the sustainable development goals can be realized. The ILO in its ensuring collaboration with cooperative movements should be ready to help and to ensure that cooperative enterprises find their place as enterprises of the future and motor for social inclusion and sustainable development.

Challenges of Cooperative Governance

It has been observed recently that there are problems that seem to mitigate and hamper the effective performance of cooperative organizations in Nigeria. Writers and economists such as J. U. Umana, F. O. Ikpeazu, R. H. Greffon and others have written extensively on cooperatives and have examined the weaknesses attending these organizations worldwide shortly after the “First All Nigeria Cooperative Seminar” held in Lagos in 1980.

The first major challenge has been the need to acquire and maintain adequate equity and capital to help finance growth, and provide an increased working capital. Production for example in the agricultural sectors has been experiencing boom, the need therefore arise to add assets to serve and meet the needs of agricultural production (Cobia, 2016). The reason here is that most members are low income earners and as such the capital they can raise is usually inadequate.

Cooperatives exhibit poor management styles. This is so because members are elected into the management committee not on the basis of managerial expertise and experience but on the bases of their popularity. This does not augur well for the organization which is supposed to have skilled and talented leadership (Adesina, 2018; Robin, 2012). This scenario has in no small measure led to the continual dwindling returns on their investments. This has as a matter of fact ended the original focus of the pioneers.

Low financial base of members is yet another constraint on cooperatives. This challenge stem from the financial background of members (Enikanselu, 2015). Given this scenario, cooperatives are placed on financial straight jacket which frustrates their efforts of hitting their limelight. They have been unable therefore to engage qualified staff to carry out effective documentation of their activities. The result is colossal losses suffered by cooperatives with concomitant ebbing of their financial base.

Illiteracy is also a problem, because, majority of cooperatives members are illiterates who do not understand what is happening when it comes to paper work. This dampens the morale of the

illiterate members and thus affects their contributions in the society. The organization also faces excessive government control that tend to stifle the societies. Poor performance is another weakness. Inefficiency and incompetence of committee members bring poor performance into cooperative societies. It is not a good source of revenue to government since the society enjoys tax-free profits (Robin, 2012).

They are confronted with delay in decision making. In fact, many members are involved in decision and policy making and this creates delay since all the committee members are consulted before decision and policies are made (Sachetti and Tortia, 2016). There is also divided loyalty in the rank and file of cooperative members. Thus, committee members tend to pay more attention to their individual businesses than the cooperative business. Most times, they work in the cooperative business on part-time basis. The organization has limited expansion. Inadequate capital limits expansion possibilities in cooperative societies.

Omeje (2014), points to lack of personal initiative as one of the banes of cooperative societies. This lack of initiative by members of the management committees reduces the development entrepreneurship among cooperators. Cooperatives also have difficulty in loan recovery because of poor yield, crop failure or debtor dishonesty. There are also high embezzlement rate in cooperative societies. Their funds are often embezzled by some dishonest cooperators who use the fund for their selfish interest. Disloyalty is another challenge of the societies. Some members tend to be disloyal to the society by not paying their dues and levies.

Lessons so far learnt from Cooperative Societies in other West African States

This study proffers that cooperatives governance provides a bedrock for building a better nation. It helps cooperative societies to enhance the welfare benefits of its members. It also creates an opportunity for self-help through mutual help. In Nigeria, the then Department of Agriculture also influenced the formation and promotion of

cooperative societies. It undertook to establish credit societies in urban and rural areas and provided working capital (Cobia, 2016). In 1951, there were some 310 marketing societies which engaged mainly in cocoa. The societies were affiliated to the Association of Nigerian Cooperative Exporters. The number of cooperatives rose to 500 in 1952 and by 1953 the Cocoa Cooperative Marketing Association had a turnover of £2million. The societies as earlier mentioned, encouraged their members by granting them short credit facilities which they could not easily obtain from the banks. The 1951 constitutional reforms led to the dissolution of the Nigerian Cooperative Federation in 1952 as a result of which the then Western and Eastern region set up regional cooperative unions.

In Ghana, the development of the cooperative movement has almost the same history as that of Nigeria. The Department of Agriculture was responsible for promoting cooperative activities between 1929 and 1944. By 1943, there were 302 cooperative societies for marketing cocoa. A separate Department for the promotion of cooperative societies was established in 1944. In 1953, the Cooperative Marketing Association marked some 47,423 tons which was approximately 19.5 percent of the total crop of the territory. Apart from Cocoa Cooperative Marketing Societies, there were others which dealt with fruits, vegetables, rice and agricultural products. By 1953, the credit societies were grouped under the Gold Coast Cooperative Bank whose principal function was to finance the operation of the Gold Coast Cooperative Marketing Association and the Gold Coast Cooperative Wholesale Establishment Limited. The bank had a working capital of £478,000. By the end of 1953, the cooperative Wholesale Establishment went into voluntary liquidation.

In Sierra Leone, an ordinance was passed in 1939 for the formation of cooperative societies. By 1953, there were about 125 cooperative societies with 5,207 members. The total turnover of the societies was £72,000. Remarkably, the producer marketing societies performed well in improving the quality of the product. In addition, there were

credit societies which granted loans to members. The Cameroon then under the British Trusteeship had a total of 45 cooperative societies in 1952. Thirty-two of them were for marketing produce. The Cameroon Cooperative Exporters Limited was formed in 1953 to coordinate all cooperative societies' activities in the country. It helped to improve the performance of cooperative societies as a result of which they had a turnover of £120,000 in 1953.

Unlike the British colonies where the development of cooperative societies was encouraged by British administration, the French government did not actively encourage the projection of the cooperative system in her territories. But after the Second World War, agricultural cooperative societies were established by legislation in Senegal, Upper Volta, Niger, Guinea, and in Dahomey. Since then, there had been a considerable increase of cooperative societies in French West Africa.

On the whole, cooperative societies could be noted as veritable engines of economic development and human capacity building among the governments of West African States. Their impact is also felt from the rural to the urban areas. The cooperative societies in Nigeria has aided the accumulation of natural resources and the promotion of agricultural export crop and thereby helping to increase the volume of foreign exchange which is needed for economic development and transformation. Therefore, cooperatives can be more effective by functioning hand in hand with government approved programmes for the benefit of the people.

Theoretical Underpinning

This research paper is basically underpinned on Contemporary economic theory and Resource Dependence Theory (RDT).

a. Contemporary Economic Theory

Contemporary economic theory has played an effective role in cooperative governance. It provides insight into the cooperative advantage in different economic sectors and why this advantage is not always realized or exploited. In fact, the evidence is overwhelming that cooperatives can be potentially much more

economically efficient than their non-cooperative counterparts and can represent important dynamic components of contemporary competitive market economies.

The fact of the matter is that many cooperatives have very clear political and religious agendas. Most use credit as a means of sale. At best, cooperatives as an organizational type are looked upon as a possible solution to economic dilemmas faced by the economically marginalized members of society. The cooperative governance is expected to enhance the source of economic efficiency and possibly contribute to material welfare. This is a product of the behavioral assumptions embedded in the theory. This theory is relevant to this study as it facilitates members fostering access to financing, increasing productivity, promoting collective bargaining and market access, and raising incomes, thus engendering poverty eradication (Kwakyewah, 2016). The objective of this theory is to understand the nature of control over (and hence autonomy in) co-operatives by external governance mechanisms for the members' interest. Control, to some extent is necessary, but if too much, puts co-operatives in the difficult position of expanding as business entities.

b. Resource Dependence Theory (RDT)

Resource Dependence Theory (RDT) provides inter-firm governance as a strategic response to conditions of uncertainty and dependence between exchange partners. The theory further entails that organizational actions are primarily driven by resource considerations, and that resource complementarities among firms can, to a large extent, explain the relationships and interactions among them. The theory assumes that variations in uncertainties arising in the organization and business environment are responsible for both internal power distribution between organizational entities and external power distribution between market participants (Hillman et al., 2009). In co-operative performance under uncertainty condition of COVID-19 pandemic, resources mismatch creates dependencies among cooperatives and other participants in the cooperative sector. Thus,

the theory provides an indication of the extent to which a firm in business environment needs to maintain information and material resources exchange with other fellow partners in business environment as the future is uncertain (Abosede and Onakoya, 2013). As the COVID 19 outbreak continues to spread worldwide and crippling both internal and external business environment, thus the interdependence among participants is increasingly becoming vital for survival through sharing resources among cooperatives and other stakeholders where possible as per 6th principle which emphasizes on Cooperation among co-operatives. Moreover, this can be enhanced by an effective cooperative governance.

Conclusion

This study is on cooperative governance - a bedrock for building a better nation. Good cooperative governance is now accepted as vital to achieving the Millennium Development Goals and as a pre-condition for sustainable economic growth. Ensuring better governance of corporations, financial institutions and markets is increasingly recognized for developing countries despite the limited number of firms there with widely traded shares. For developing countries, significant benefits can be linked to higher corporate governance standards in the private sector. These include better access to external finance, lower costs of capital and better firm performance.

The corporate governance agenda has also been broadened by the recognition of the reach of corporate models characterized by different forms and structures to the Anglo-American model of an investor owned firm.

Although cooperative societies in this country have witnessed tremendous successes, they have some retrogressive issues that tend to often stall the good will, progress and prosperity of these societies. Some of the issues listed in this paper include poor management and lack of trained staffs, insufficient financial resources on the part of members, dishonesty, corruption, gang up by the capitalists to frustrate cooperative

advancement and growth in order to protect their own business, and the absence of felt need among members essential to the survival spirit of the cooperatives.

Recommendations

It is hereby suggested that cooperative societies at all levels should be strengthened, controlled and owned by cooperative members themselves without undue government interference. Thus, government presence in this sector of the Nigerian economy should be limited by all means to the training of manpower for cooperatives and developing national policies that will make it easier for cooperative members to group themselves properly and achieve maximum breakthroughs in their organizations.

Government should as a matter of urgency and priority review the cooperative laws and regulations of the country from time to time in order to meet the desired needs and aspirations of the cooperatives. There is also the need to review the loan policies of all cooperative financing agencies such as the State Cooperative Banks, the Nigerian Agricultural Cooperative and Rural Development Bank, and create more rural branches of these banks throughout the country.

Government should establish cooperative units under the various Local Government Departments of Agriculture which will work hand in hand with the state and the federal agencies concerned with cooperative activities. It is also advisable that government should be engaged in a wide and large scale campaign in order to educate members and non-members of cooperatives about the contributions of cooperatives to the social and economic well-being of the common man.

All impediments militating against the development of cooperative societies in Nigeria should be expunged by government. In short, government should have a hand in the general development and sustainability of cooperative societies in the country since these organizations have glaring positive impact on the generality of the Nigerian populace and on socio-economic and national development.

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CONTRIBUTIONS OF COOPERATIVES TO ECONOMIC DEVELOPMENT

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Cooperatives are a self-help organizations with a history that dates back to 1844 when the first successful Cooperative Society was established. Since then its principles and mode of operation has witnessed several modifications which has caused it to metamorphose from a welfare organization into a modern day business model of choice.

Cooperatives have great relevance in modern day society and its relevance is far beyond our expectations. We shall mention only two areas of relevance of Cooperative Societies namely:

- State
- Members

Impact of Cooperatives on Economic Development of Lagos State

The following are the benefits the State derives from the establishment and operation of Cooperative Societies-

1. Revenue Generation

Registration fees, Personal Income Tax, Land Use Charges etc. arising from the operations of Cooperative Societies form part of the Internally Generated Revenue of the State even though minute.

2. Employment

Cooperative Societies have helped in the creation of several jobs in the State. It has helped reduce unemployment by employing some of our youths who work as accountants, doctors, nurses, administrators, clerks, engineers, cleaners, security guards etc. depending on the type of activities and business it operates. For instance

- Dangote Staff CMS has 44 staff
- DPR Staff CMS has 9 staff
- NNPC (Ikoyi) Staff CMS has 51 staff
- L/S Min of Commerce, Industry and

Cooperatives CMS has 1 staff

- Airport Fire & Safety (Ikeja) CMS has 13 staff
- Nigerite Staff CMS has 31 staff.

3. Gross Domestic Product

The various economic activities which cuts across all sectors of the State's economy (Agriculture, housing, transportation, health, tourism and hospitality, oil and gas etc.) engaged upon by Cooperative Societies have helped position Cooperative Societies as a factor in the growth of the Gross Domestic Product of Lagos State.

Complimentary Roles

There are Societies with existing strategic capabilities and comparative advantages to execute some either alone or in collaboration with other societies. The Ministry of Commerce, Industry and Cooperatives has been at the forefront of ensuring appropriate sensitization which has brought about necessary synergy within the Cooperative Movement in the State.

Cooperative Societies compliments State government's roles in the following areas

A) Housing: Cooperative Societies have successfully delivered thousands of affordable housing units located in every part of Lagos State, therefore helping the government bridge the housing gap in the state. From the highbrow areas such Lekki, Victoria Island and Ikoyi down to the low income areas, like Epe, Ikorodu and Badagry, there are tens of thousands of completed housing units including those at different stages of construction. Apart from these, Cooperative Societies also have hundreds of acres of land purchased for members.

B) Infrastructure: Cooperative Societies are involved in community development projects by

building infrastructures such as roads and bridges. New Town Development Authority Staff CMS built a bridge to connect Ogombo with the rest of the community at Ajah.

C) Transportation: Cooperative Societies engage in transportation business with the aim of ameliorating the sufferings of their members. Some Cooperative Societies have successfully partnered with Lagos State under the Bus Rapid Transport Scheme deploying hundreds of units of high capacity buses to assist in the movement of commuters on some selected routes within the Lagos metropolis

Examples are;

- First BRT (Agege) CMS
- Igbatuntun (Alimosho) CMS
- Nigerite Staff CMS has 28 cars being used as Taxi under Uber management.
- The Medicals (L/I) CMS Ltd (formerly LASCOMED) has 2 boats for ferry services.
- Crown Flour Mills Staff CMS purchased 16 Coaster buses.

D) Health Care

A few Cooperative Societies ventured into the provision of health care services which used to be an exclusive preserve of the government. A Society built a standard hospital on one of its estates located in Ikorodu with another involved in pharmaceutical business of drugs distribution and dispensing.

- Health Service Commission Senior Staff CMS built a hospital in Ikorodu
- Pharmaton 635 CMS is into drug distribution

E) Tourism and Hospitality

The current administration in Lagos State recognizes tourism and hospitality as a money spinner and has therefore shown a strong desire to grow that segment of the economy in the State. Consistent with the government's drive is the establishment of hotel businesses by some Cooperative Societies. Some societies built event centers to provide supplementary income for the society.

- Electric Power Workers Staff CMS invested in 30-room Hotel and event centre located in Owode-Yewa of Ogun State and worth N85 million.
- Excellence CMS has a supermarket/ events & multipurpose hall inside Lagos State University of Science and Technology, Ikorodu valued at N144,090,746.00
- NUT Lagos Island CMS with a 700 guest capacity event hall in NUT Estate at Awoyaya, Lekki valued at N72 million.

F) Agricultural Business

In Agricultural production, getting access to funding is usually difficult as a result of the criteria set by banks that are responsible for providing fund for the farmer. Cooperative education especially in Agriculture has provided the basis for our farmers and potential ones on the strategies that can be used to capture different opportunities in the economy of the State to address their economic needs and aspiration.

One major challenge is the access to funding which is easily solved when farmers come together to form a Cooperative, use their strength as collateral to obtain the needed funds either from the bank or government. Agricultural Cooperative education provides the platform for farmers and potential farmers on structured experiential learning and how to take the economy to improve Agricultural production.

When farmers come together the beauty is that they can share input like machinery, seeds, fertilizer together. They can also pull their produce together and sell in a common market.

On our part, the Ministry is encouraging Public Private Partnership, PPP, in all spheres of the economy but particularly in the Manufacturing/Industrial Sub Sector. We are assisting the Industrial Sector to maximize its potentials by creating a sustainable positive environment especially because we know that the Private Sector (Cooperative inclusive) is key to development, so Government is ready to create value and a business friendly environment which will help to improve on the ease of doing business

in the State.

The State Government has embarked upon massive infrastructural rejuvenation across the State hence providing a conducive and enabling environment.

The Ministry is a One-Stop Shop to acquire all necessary permits that will aid the Industrial Sector.

In line with the diversification of investment advisory from the State government some Cooperative Societies are into agriculture businesses such as-

1. Cassava and Maize cultivation (El Shadai CMS in Epe has 16 acres of farmland with cassava that are ready for harvest valued at N3,350,000.00).

2. Green houses growing plum tomatoes, bell pepper, habanero plants and other vegetables (Ministry of Defence Staff CMS has 6 units of Green House).

3. Animal husbandry such as pig farming (Cadbury Staff has a 82-pen pig farm in Ifo, Ogun State with an initial investment value of about N33 million naira but presently worth around N86 million naira),

- Prison Staff CMS is into fish farm sited inside the Kirikiri Maximum Prison worth N3 million

4. 20 Acres of farm land acquired and owned for life in Oyo State by Addax Coop for growing of Cashew, Maize, Cassava etc.

5. Token to Wealth CMS has 2 hectares of farmland for lemon grass cultivation at Ogun state valued at N2,510,000.00, Rice farm valued N1,500,00.00, 1hectare of farmland dedicated for Cassava and Coconut cultivation located in Enugu State valued at N1,500,000.00 and Coconut farm located in Enugu State valued at N3,518,000.00.

6. NPA H/QTRS CMS Ltd has a fish farm at Ibafo, Ogun State.

Impact of Cooperative Societies on Members-

i) Loan Facilities: Cooperative societies provide a cheap source of loans to members with no

collateral security required. Such loans attract an average interest rate of 10% which sometimes drop to single digits in some Cooperative Societies. Repayment period also varies from 3,6,12, or 18 months depending on the purpose or type of loan in question.

ii) Economic Empowerment: The savings and loan schemes provided by Cooperative Societies has helped contribute to the economic empowerment of their members by providing seed capital or additional funds to start and boost their businesses.

iii) Land and Home Ownership: Thousands of people have become land and home owners today in spite of the economic hardship being experienced in the country in recent years. Credit to Cooperative Societies for providing the means through which such a fete was made possible via provision of land and housing units for sale and loan facilities as well as facilitation of mortgage loans from financial institutions.

- Ministry of Defence Staff CMS possess landed properties in Sango Ota at three different locations, Ojo-Ibadan, Gwagwalada-Abuja, Ibafo-Mowe and Ikorodu all valued at over N100 million.
- NIMASA staff CMS HAS 104570.23 sqr metre/ 10.5 hectares residential land for mass housing at Plot no 34 Zone d32 Mamusa West Layout.
- Alaro Standing Order (Epe) CMS has lock up shops valued at N8.5 million in Epe.
- NAHCO Staff CMS has 10 hectares of land at Kuchiyako III, Section C, Kuje Area Council, Kuje Abuja, acquired to construct 361 low-cost housing units of 2- and 3-bedroom bungalow designs, with modern school, clinic and civic centre facilities; 6.17 hectare of land located at Kande-Ijan Village, Ayobo- Ipaja, Lagos, acquired to alleviate the cost of housing of members. And 1.577 hectares of land acquired at Olorunda / Agana Village, Ilogbo/Ota. Ogun State, located beside NAHCO h/qtrs.

iv) Asset Acquisition: Through Cooperatives, thousands of members have been able to own assets such as brand new and imported used cars, home equipment which include electronics, furniture, generators, air conditioners, cooking gas and so on.

- Cadbury Staff sold 27 vehicles to some members and worth N 35 million naira as well as sales of 140 units of used Tata minivans and tricycles all across the country.
- All of these are acquired through installment payments by members.
- Some of the Cooperators have been able to access such asset acquisition to start off businesses such cold room businesses, car/bus hiring,

MILESTONES RECORDED IN LAGOS STATE

A) DEPLOYMENT OF COOPERATIVES PORTAL SOFTWARE SOLUTION

The Department decided to automate the management of Cooperative Societies operations to improve efficiency and eliminate bottlenecks of the existing system.

- The on-line data bank application houses the Cooperatives' data in the State with the following
- Contact of Cooperative Societies including the names of all executives, address, phone numbers and email account.
- Cooperative Societies' Annual records.
- Automated Registration/Audit processes.
- Audit/Registration Tracking IDs.
- Figurative and graphical reports.
- Generate and manage Electronic Notification System (SMS and Mails).

B) LAGOS STATE COOPERATIVE COLLEGE

The College was established with the need to protect the investment of the citizenry in the Cooperative movement through:

a. The provision of specialized short duration

capacity building interventions to officials of the various Cooperative Societies

b. Realize career aspiration in Cooperative Studies and the management of Cooperative Societies in Nigeria.

So far, the College offers the following short term courses–

- Essential Skills in Cooperative Management - 3 days
- Corporate Governance in Cooperative - 1day
- Basic tools in Cooperative Management - 1 day
- Induction Course - 1day.
- Intermediate Courses - 4 day (trending topics)

Take off of the Diploma awarding program-

With the signing of the Cooperative College into Law, the College was been accredited in Yr 2020 by the National Board on Technical Education and now offers-

- Professional Diploma in Cooperative Studies. - 3 semesters
- National Diploma :
 - Cooperative Economics and Management. - 2 years
 - Microfinance and Enterprise Development. - 2years

C) COOPERATIVE INSURANCE SCHEME

The Insurance Unit of the Department of Cooperatives works in conjunction with a consortium of Insurance companies, with LASACO Insurance as the lead underwriter propagating the need for Cooperatives to partake of the Cooperative Insurance scheme and creating awareness. The consortium consists of the following companies-

1. LASACO Insurance.
2. STACO Insurance
3. Capital Express Assurance.
4. AIICO Insurance Plc
5. Metropolitan Life.
6. Old Mutual.
7. FBN Life.

8. ARMLife

9. Mutual Life Assurance

The aim of the scheme is to mitigate losses that could occur in the operations of the Cooperatives Societies.

The scheme has designed products that cover sudden death and accidents in the work place in addition to tailor made products that can be domesticated to meet the needs of the Cooperative Societies.

D) COOPERATIVE SCHOOLS CLUB-

The idea of Cooperative Clubs in Schools in Lagos State was borne out of the need to encourage teenagers and youths to form themselves into groups based on the Cooperative

ideology of self-help and empowerment.

Children in the Senior School category of a number of Public Schools in the State have been inducted into the Cooperative Schools Club which have been duly registered.

It is our hope that eventually, all Public Schools in the State would each have their own Cooperative Schools Club so we can catch them young and imbibe in them Cooperative principles.

COOPERATIVE MEMBERSHIP AND FOOD SECURITY STATUS OF ARABLE CROP FARMERS IN EDO STATE, NIGERIA

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ABSTRACT

The study broadly assessed the household food security status among members and non-members of the farmer cooperative societies in Edo State, Nigeria. Specifically, it described their income sources, estimated the average annual income from the identified sources and determined the household food security status of the respondents. The study adopted a multisampling procedure to stratify the respondents from the three agricultural zones in the State into the cooperators' stratum and non-cooperators stratum. Data obtained using a structured questionnaire were analyzed using descriptive statistics, Herfindahl Hirschman Index (HHI) and Household Dietary Diversity Score (HDDS). Data on the socioeconomic characteristics showed close similarity except in the farm size where the cooperators had twice the size of the farmland owned by the non-cooperators. The cooperators had a more diversified crop portfolio as shown by HHI and as such higher average annual income. Their household food security status as shown by the output of HDDS showed that the respondents in the cooperators' stratum were relatively more food secure were more food secured as their depth and severity of food insecurity were 0.1709 and 0.0574 respectively compared to 0.3439 and 0.1460 for the non-cooperators stratum. The

study recommended that arable crop farmers should join cooperative societies to reap the benefits of membership to improve their food security status.

KEYWORDS

Cooperatives, Membership, Food Security Status

INTRODUCTION

Food is the output of any agricultural system and small-scale farmers are the drivers of food production in sub-Saharan Africa. Giller et al. (2021) declared that most food in sub-Saharan Africa (SSA) is produced on small farms. Despite the contribution of the rural farm household to the food system, a large proportion of these households are food insecure (Frelat et al., 2016) and fall below the poverty line (Harris & Orr, 2013).

Food security is a condition that exists when all people, at all times, have physical, social and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for active and healthy life (FAO 1996). An adequate food intake, in quantity and quality, is necessary for a healthy and productive life (Omonona and Agoi, 2007). Ensuring the food security of small-scale farmers is paramount because the growing population of the SSA depend on the output of the small-scale farmers,

who must remain healthy and productive, for their food security and survival. Cooperative contributes to food security by helping small-scale farmers solve numerous challenges that confront them in their endeavours to produce food (International Labour Organization and International Cooperative Alliance, 2015). The primary cause of food insecurity is the continued lack of economic opportunity to produce adequate amounts of food or to obtain sufficient income to purchase adequate amounts of food. The inability of small-scale farmers to produce an adequate quantity of food for subsistence and income generation portends danger to their household food security.

A cooperative is an autonomous association of persons united voluntarily to meet their common economic needs and aspirations through a jointly owned and democratically controlled enterprise (International Cooperative Alliance, 2015). Cooperatives assist her members in form of credit. Farm Credit plays a crucial role in agricultural and rural development as it enables farmers to enjoy economies of scale, venture into new fields of production, employ new technologies and empower them to provide utilities for a widening market (Alufohai, 2006). The International Labour Organization and International Cooperative Alliance (2015) estimated that nearly half the world's population secures its livelihood through cooperative enterprises. Food production constitutes one of the most basic livelihood activities. International Cooperative Alliance (ICA) has eulogized the cooperative enterprise as the type of organization that is most suited to addressing all dimensions of reducing poverty and promoting rural development. This study, therefore, carried out an assessment of cooperative membership and food security status of arable crop farmers in Edo State, Nigeria. Specifically, it described the income sources, estimated the average annual income from the identified sources of income and determined the food security status of the respondents.

METHODOLOGY

Study area

The study was carried out in Edo State, Nigeria. Edo State has three agroecological zones as delineated by Edo Agricultural Development Programme (ADP); they are Edo North, Edo Central and Edo South. The state is delineated into 18 blocks by ADP. Edo State has a population of 3,218,332 million people made up of 1,640,461 males and 1,577,871 females (National Population Commission, 2006). The Edo State lies within the geographical coordinates of longitude 5° 04' and 6° 43' East of the Greenwich meridian and latitudes 5° 44' North and 7° 34' North of the Equator (Emokaro, Ekunwe and Osawaru, 2010). The principal mineral resources in Edo State include; Crude oil, natural gas, clay chalk, marbles and limestone. Agriculture is the predominant occupation of the people in the State. The major cash crops produced are; rubber, cocoa and palm produce. In addition, Edo State produces such crops as yam, cassava, rice, plantain, guinea corn and assorted types of fruits and vegetables.

Sampling Procedure

A multi-stage sampling procedure was used in this study. Stage 1 was the purposive selection of two local government areas from each agroecological zone of the State based on the number of active cooperative societies from the list provided by the cooperative department of the Ministry of Commerce and Industry. Stage 2 was the random sampling of a representative number of cooperative societies from each of the selected Local Government Areas from stage I. Stage 3 used the membership list of the cooperative society as a sample frame, the sample size was calculated using a representative percentage (75%) of 871 respondents. Stage 4 was a pre-listing of non-cooperators to obtain a sampling frame from which the sample size was calculated using a representative percentage (75%) of 346 respondents.

Analytical Techniques

The socioeconomic characteristics of the respondents were described using descriptive

statistics. The different sources of income diversification were described using descriptive statistics and Herfindahl Hirschman Index (HHI) expressed as:

$$HHI = 1 - HI$$

Where: HI is Herfindahl Index given as

$$HI = 1 - \sum_{i=1}^n p_i^2 \dots\dots\dots(1)$$

p is the proportion of each income source on total household income

The value of HHI is always between 0 HHI 1.

As the number of sources increases the shares of (pi) decline as does the sum of the squared shares so that HHI approaches 1. Thus, the closer the HHI value is to 1 more diversified the sources of income, vice versa.

The household food security status was determined using Household Dietary Diversity Score (HDDS). The following set of 12 food groups as listed by the Food and Nutrition Technical Assistance (FANTA) project (Swindale and Bilinsky, 2006) was used to calculate the HDDS

- A. cereal
- B. root and tubers
- C. vegetables
- D. fruits
- E. meat, poultry, offal
- F. eggs
- G. fish and seafood
- H. pulses/legumes/nuts
- I. milk and milk products
- J. oil and fats
- K. sugar/honey
- L. miscellaneous

The HDDS was assessed thus;

- i. Each food group was assigned a score of 1 (if consumed) or 0 (if not consumed).
- ii. The scores were summed to obtain the Household Dietary Diversity Score (HDDS) as shown in Equation 2 below.

$$HDDS = \text{SUM}(A + B + C + D + E + F + G + H + I + J + K + L) \dots\dots\dots (2)$$
- iii. The average Household

Dietary Diversity Score was calculated as follows:

$$\text{Average HDDS} = \frac{\text{Sum HDDS}}{\text{The total number of households surveyed} \dots\dots\dots (3)}$$

- i. The bench mark for levels of diversity was obtained

$$\text{Bench mark} = 67\% \text{ of Average HDDS} \dots\dots\dots (4).$$

Household with HDDS less than the bench mark will be classified as not having a diversified diet. i.e., food insecure from food accessibility dimension which measures access to quality food. The degree of food insecurity was measured using Alkire and Foster (2011)

multidimensional approach to poverty, given as follows;

$$i. M_\alpha = \frac{1}{n} \sum_{i \in Q} \sum_{j=1}^{k=2} \omega_j g_{ij}^\alpha \dots\dots\dots(5)$$

Where n = number of households

$$g_{ij} = \max \left\langle 0, \frac{z_j - x_{ij}}{z_j} \right\rangle \dots\dots\dots(6)$$

Where Q is the set of food insecure people,
 j = dimension of food security;
 Z_j = food security line for the Jth dimension;
 x_{ij} = household achievement of the food security indicator;

w_j = weight given to each dimension j. For this study equal weight was given to the two dimensions under consideration, the weights were assigned based on the assumptions that the two dimensions carried equal importance as regards food security

α = an aversion parameter that takes a value of 0, 1, 2.

If α = 0 the model gives the incidence of food insecurity or the head count index, while α = 1 the model measures the extent to which individuals fall below the food security line as a proportion of the food security line.

When α = 2 the model measures severity of food

insecurity which is the squares of the food insecurity gaps relative to the food security line.

RESULTS AND DISCUSSIONS

Socioeconomic characteristics of respondents

Table 1 displays the socioeconomic characteristics of the respondents from the two strata of respondents; cooperators and non-cooperators. The analysis revealed little difference between the strata. The study showed that arable crop production in Edo State was chiefly dominated by men (70.2% and 74.3% for co-operators and non-co-operators respectively). The majority of the respondents in both strata

were within the age range of 55-64. This similarity in the age ranges was evident in their mean ages which were close (55 years for respondents in the cooperators' stratum and 56 years in the non-cooperators stratum). A high percentage of the respondents in both strata were married. The majority of respondents in both strata had attained primary school education. Both strata had a mean household size of 7 people. However, there was a wide margin in their farm sizes, as the cooperators had a mean farm size of 3.5 hectares while the non-cooperators had 1.6 hectares.

Table 1: Socioeconomic characteristics of respondents

CHARACTERISTICS	EDO CENTRAL		EDO NORTH		EDO SOUTH		POOLED	
	Cooperators N =304	Non cooperators N = 104	Cooperators N =294	Non cooperators N = 125	Cooperators N =273	Non cooperators N = 117	Cooperators N =871	Non cooperators N = 346
SEX								
Male	217(71.4%)	70(67.3%)	215(73.1%)	95(76.0%)	180(65.9%)	92(78.6%)	612(70.2%)	257(74.3%)
Female	87(28.6%)	34(32.7%)	79(26.9%)	30(24.0%)	93(34.1%)	25(21.4%)	259(29.7%)	89(25.7%)
AGE (YEARS)								
< 35	9(3%)	2(1.9%)	35(11.9%)	8(6.4%)	78(28.6%)	8(6.8%)	122(14.0%)	18(5.2%)
35-44	31(10.2%)	4(3.8%)	47(15.9%)	24(19.2%)	38(13.9%)	24(20.5%)	116(13.3%)	52(15.0%)
45-54	63(20.7%)	33(31.7%)	32(10.9%)	33(26.4%)	20(7.3%)	30(25.6%)	115(13.2%)	96(27.7%)
55-64	143(47.0%)	30(28.8%)	169(57.5%)	39(31.2%)	114(41.8%)	36(30.8%)	426(48.9%)	105(30.3%)
64	58(19.1%)	35(33.7%)	11(3.7%)	21(16.8%)	23(8.4%)	19(16.2%)	92(10.6%)	75(21.7%)
MEAN	57	57	53	51	62	45	55	56
MARITAL STATUS								
Married	212(69.7%)	90(86.5%)	200(68.0%)	94(75.2%)	147(53.8%)	83(70.9%)	559(64.2%)	267(77.2%)
Single	31(10.2%)	3(2.9%)	47(16.0%)	12(9.6%)	5(1.8%)	13(11.1%)	83(9.5%)	28(8.1%)
Widowed	25(8.2%)	4(3.8%)	14(4.8%)	8(6.4%)	48(17.6%)	11(9.4%)	87(10.0%)	23(6.6%)
Divorced	36(11.8%)	7(6.7%)	33(11.2%)	11(8.8%)	73(26.7%)	10(8.5%)	142(16.3%)	28(8.1%)
FORMAL EDUCATIONAL STATUS								
None	79(26.0%)	33(31.7%)	76(25.9%)	22(17.6%)	56(20.5%)	18(15.4%)	211(24.2%)	73(21.1%)
Primary	168(55.3%)	48(46.2%)	171(58.2%)	62(49.6%)	84(30.8%)	59(50.4%)	423(48.6%)	169(48.8%)
Secondary	53(17.4%)	21(20.2%)	46(15.6%)	39(31.2%)	96(35.2%)	38(32.5%)	195(22.4%)	98(28.3%)
Tertiary	4(1.3%)	2(1.9%)	1(0.3%)	2(1.6%)	37(13.6%)	2(1.7%)	42(4.8%)	6(1.7%)
HOUSEHOLD SIZE (PEOPLE)								
<3	28(9.2%)	0(0.0%)	5(1.7%)	0(0.0%)	14(5.1%)	0(0.0%)	47(5.4%)	0(0.0%)
3-5	70(23.0%)	41(39.4%)	66(22.4%)	64(51.2%)	114(41.8%)	58(49.6%)	250(28.7%)	163(47.1%)
6-9	200(65.8%)	63(60.6%)	155(52.7%)	61(48.8%)	103(37.8%)	59(50.4%)	458(52.6%)	183(52.9%)
>9	6(2.0%)	0(0.0%)	68(23.1%)	0(0.0%)	42(15.4%)	0(0.0%)	116(13.3%)	0(0.0%)
MEAN	7	7	7	6	6	6	7	7
FARM SIZE (HECTARES)								
0.5-1.00	46(15.1%)	83(79.8%)	46(15.1%)	50(40.0%)	46(15.1%)	82(70.0%)	46(15.1%)	215(62.1%)
1.01-2.00	45(14.8%)	5(4.8%)	45(14.8%)	38(30.4%)	45(14.8%)	17(14.5%)	45(14.8%)	60(17.3%)
2.01-3.00	182(59.9%)	10(9.6%)	182(59.9%)	19(15.2%)	182(59.9%)	9(7.7%)	182(59.9%)	38(11.0%)
3.01-4.00	25(8.2%)	4(3.8%)	25(8.2%)	10(8.0%)	25(8.2%)	6(5.1%)	25(8.2%)	20(5.8%)
4.01-5.00	6(2.0%)	2(1.9%)	6(2.0%)	8(6.4%)	6(2.0%)	3(2.6%)	6(2.0%)	13(3.8%)
MEAN	3.5	1.5	2.5	5.8	3.0	1.8	3.5	1.6

Source: Field survey; 2022

Income diversification of respondents

As shown in Table 2 below, the identified diversified commercial crops cultivated by the respondents in the study area were cocoyam, maize, melon, cassava, groundnut, yam and plantain. Respondents were also involved in some off-farm activities. Further interviews with respondents confirmed that they were involved in diverse off-farm income sources which include off-farm activities ranging from carpentry, bricklaying, trading, livestock rearing and commercial transportation services using motorcycles and autorickshaws.

A more detailed analysis using Herfindahl Hirschman Index (HHI) showed that the respondents from the cooperators' stratum had more diversified sources of income than the non-cooperators stratum. This may be attributed to their owning bigger farm sizes than non-cooperators, thus enabling them to diversify their crop production. This may be a result of credit

availability to members by the cooperative society, which may have allowed them to venture into different crop enterprises. This lack of credit may be a hindrance to diversification to non-cooperators. Diversifying the crops grown is advantageous as it serves as good insurance against the risk of crop failure, diseases etc. The analysis also showed that the Edo North cooperators stratum had the most diversified sources of income (HHI = 0.5) while the respondents in the Edo Central non-cooperators stratum had the least diversified income (HHI = 0.36). Diversification of income among rural households can boost their income in a bit to achieve rural economic growth and development (Mukaila et al., 2021). It, therefore, means that the respondents in the cooperators' stratum will earn higher aggregate annual income and will have better living standards and well-being.

Table 2: Income diversification of respondents

INCOME SOURCES (Multiple responses)	EDO CENTRAL		EDO NORTH		EDO SOUTH	
	Cooperators	Non-cooperators	Cooperators	Non-cooperators	Cooperators	Non-cooperators
ON-FARM						
Cocoyam	182(13.9%)	27(4.1%)	18(2.0%)	4(1.0%)	109(9.8%)	39(9.7%)
Groundnut	45(3.4%)	11(1.75%)	191(21.2%)	100(23.8%)	41(3.7%)	5(1.2%)
Maize	258(19.7%)	88(13.4%)	206(22.9%)	95(22.6%)	218(19.6%)	81(20.1%)
Yam	183(14.0%)	143(21.7%)	162(18.0%)	62(14.8%)	137(12.3%)	79(19.6%)
Cassava	274(21.0%)	152(23.1%)	118(13.1%)	45(10.7%)	259(23.2%)	109(27.0%)
Melon	61(4.7%)	55(8.3%)	17(1.9%)	4(1.0%)	109(9.8%)	6(1.5%)
Plantain	214(16.4%)	154(23.3%)	121(13.4%)	83(19.8%)	161(14.5%)	71(17.6%)
OFF-FARM	91(6.9%)	29(4.4%)	68(7.5%)	27(6.4%)	80(7.2%)	13(3.2%)
TOTAL	1308	659	901	420	1114	403
HHI	0.48	0.36	0.50	0.41	0.45	0.42

Source: Field survey; 2022

Table 3 shows that the average annual income for a respondent in the Edo South cooperators stratum was the highest (N1,223,575), with cassava singly contributing about 44.7% of the average annual income to the respondents. The highest contribution of the off-farm portfolio to annual total income was 4.5% for both strata in the Edo Central agricultural zone. Income from maize accounted for 19.2%

of the total income for cooperators in Edo Central while yam and plantain accounted for 18.8% and 19.1% of the total income respectively. In Edo North, the average income of the respondent in the cooperators' stratum was found to be N 447,026 with groundnut accounting for 26.8% of the income, closely followed by yam which accounted for 26.5% of the farmers' income. Cassava accounted for 26.3% of the total income

of cooperators in Edo north. Edo South cooperators had the highest total income (N 1,223,575) among the three zones of the State. The major contributors to the total income of the Edo South cooperators' stratum in decreasing order of magnitude were cassava (44.7%), yam (19.3%) and plantain (18.9%).

Table 3: Average annual net income from income sources in Naira (₦) per farmer

INCOME SOURCES	EDO CENTRAL				EDO NORTH				EDO SOUTH			
	Cooperators		Non-cooperators		Cooperators		Non-cooperators		Cooperators		Non-cooperators	
	(₦)	% OF TI	(₦)	% OF TI	(₦)	% OF TI	(₦)	% OF TI	(₦)	% OF TI	(₦)	% OF TI
ON-FARM/HECTARE												
Cocoyam	25,425	4.5	17,923	4.5	7,880	1.6	7,880	1.6	21,335	1.7	23,060	5.8
Groundnut	78,747	12.2	48,596	12.2	57,669	12	57,669	12	45,000	3.7	5,200	1.3
Maize	161,083	9.7	38,502	9.7	33,434	6.9	33,434	6.9	77,148	6.3	37,058	9.4
Yam	156,924	24.1	96,042	24.1	22,031	4.5	22,031	4.5	235,828	19.3	74,536	19
Cassava	207,122	16.3	65,000	16.3	188,243	39.1	188,243	39.1	546,716	44.7	65020	16.5
Melon	24,068	3.7	15,000	3.7	8,520	1.8	8,520	1.8	36,531	3.0	26,331	6.7
Plantain	159,319	25	99,500	25	143,161	29.7	143,161	29.7	231,017	18.9	145,658	37
OFF-FARM	22,000	4.5	18,000	4.5	21,000	4.4	21,000	4.4	30,000	2.5	17,500	4.4
TOTAL INCOME (TI)	834,688	100	398,563	100	481,938	100	481,938	100	1,223,575	100	394,363	100

Source: Field survey; 2022

Household Food Security Status of respondents

The result of the Household Diversity Score (HDDS) presented in Table 4, showed a high level of food insecurity among respondents from both strata using the HDDS. Despite the high prevalence of food insecurity among the respondents, the respondents in the cooperators' strata still had a marked difference over the respondents in the non-cooperators' stratum, in their level of food security. This conforms with the Woldegebrail and Guido (2013) in Northern Ethiopia. Table 4 further showed that 55% of cooperators in Edo central were food insecure while 65% of non-cooperators from the same zone were food insecure. The findings showed that though the headcount of food security was similar the depth and severity of food insecurity were higher for the non-cooperators stratum than the cooperators' stratum. This could be a result of a higher portfolio of crops grown by the cooperators as shown by HHI in Table 2.

Table 4: Household Food Security Status Using Household Dietary Diversity Score

Table 4: Household Food Security Status Using Household Dietary Diversity Score

Zones	Cooperators			Non-cooperators		
	Head count	Depth	Severity	Head count	Depth	Severity
Edo Central	0.5525	0.2464	0.0759	0.6502	0.3397	0.1345
Edo North	0.3505	0.1752	0.0479	0.5040	0.3340	0.1328
Edo South	0.5712	0.2025	0.0690	0.6121	0.2955	0.1059
Pooled Data	0.5511	0.1709	0.0574	0.5555	0.3439	0.1460

Source: Field survey; 2022

CONCLUSION AND RECOMMENDATIONS

The study has shown that the cooperative members were more food secure than non-cooperative members, owning larger farm sizes and more diversified crop portfolio. This wide range of crop portfolios may have contributed to the cooperators having a wider crop diversity to meet their household food security status. Also a wider crop portfolio may have contributed to the cooperators having a higher average annual income. This high annual income means that the cooperators have more disposable income to improve their household food security status.

Since the study has shown that membership in cooperative societies had a positive influence on the food security status of the cooperators, the following recommendations are put forward;

1. All arable crop farmers should be encouraged to be members of cooperative societies
2. The cooperative should be encouraged to improve their assistance to their members since membership in their societies is helping to reduce food insecurity
3. Cooperative societies should improve their education for the public so that they can harvest more members

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IMPACT OF INTER-COMMUNAL CONFLICT ON THE DEVELOPMENT OF RURAL ECONOMY IN EBONYI STATE, NIGERIA

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INTRODUCTION

Background of the Study

Conflict and consensus are two major patterns of social interactions (Ukaegbu and Agunwamba, 2015). Ekong (2010) also reiterated that conflict is a form of social interaction in which actors eliminate or weaken the other party to obtain a scarce reward. Conflict simply suggests differences and disagreement, struggle and strife. It is an ever-present process in human relations and an integral part of human's life. Studies have shown that generally, conflicts share three common characteristics. First, there is a kind of contact or relationship between the parties involved; second, the parties perceive conflicting views; and finally, one of the parties always wants to redress existing contradictions (Ekanola, 2014).

There is no single practical definition of conflict; rather, different views exist on a continuum. While some perceive it as a negative situation which must be avoided at any cost, others see it as an occurrence which could be managed and another category consider it as opportunity that must be exploited to the best advantage. Whatever the position upheld on this continuum of viewpoints on conflict, it is certain that a continual state of conflict is not desirable for any meaningful community and national development (Alabi and Famakinwa, 2017). Rather, conflicts constitute a threat to community peace, stability and development as well as having serious implications for tribal coexistence,

especially in a multi-ethnic and multi-tribal nation like Nigeria.

Nigeria is a country of 180 million people, containing at least 200 separate ethnic groups, with significant differences in religion, culture, and lifestyle. A notable divide in the northern states is apparent in the difference between the settled agricultural population, and that of Fulani herdsmen; a nomadic, pastoralist group who are present across northern Nigeria and several neighbouring nations (Ahmed, 2010). These two groups have, in spite of recent tensions and propaganda, been largely collaborative for at least the last 500 years; traditional migration patterns moved the herders across arable land where they would eat agricultural surplus or waste, and in turn fertilise soils for the next crop (Aliyu, 2008). Therefore, tribal conflict in northern Nigeria is often between these two groups in the form of herders/farmers conflict.

However in southern Nigeria, tribal divide are more noticeable. There are the Yorubas dominating the south-western states, the Igbos dominating the south-eastern states and some states in the south-south. There are some other tribes in the south-south states such as the Ijaws, Urhobos, Benins, Itsekiris, Isokos, etc. For these southern tribes, one major source of crises among them is territorial domination (Aule and Bello, 2015). Communal crises are common scenarios, where neighbouring communities fight over control of certain areas of land. Supporting this claim, Okechukwu (2017) noted that popular

Urhobo-Itsekiri crisis in Warri, Delta State was motivated by land occupation; Oji (2014) found that the Ezillo and Ezza-Ezillo in Ebonyi State came about following an altercation between an Ezillo boy and an Ezza man over the erection of telephone booth at the Isinkpuma motor park, Ebonyi State; the Oruku-Umuode War, two neighbouring communities in Nkanu Area of Enugu State is predicated upon boundary disputes.

Whatever the case, these forms of tribal disputes have negative consequences upon the communities and they impair rural development strides in those areas. Rural development efforts, which are meant to improve the political, social and economic lives of rural dwellers are hampered during these crises. It is against this backdrop that this study sought to examine the effect of tribal conflict on the development of rural areas.

Statement of the Problem

In Nigeria, tribal conflict is a recurring issue. Every now and then the media is overwhelmed with stories of killings owing to dispute between members of different communities. From northern Nigeria, where cases of herdsmen attacking farming communities abound, to southern Nigeria where communities fight over land ownership and control abound also. In the south east region of Nigeria, it is common to hear incidents where members of neighbouring communities fighting over leadership position (whose community will produce the next *Igwe*). Other times the fight is over has control over what land and the resources therein.

In the course of these conflicts, human lives are lost with impunity, properties worth millions are destroyed, economic activities such as farming and trading are shutdown, installed social amenities like electricity, water, and roads were affected. All of these negatively impact the development efforts in these communities, which are often times rural in nature.

Ohaukwu local government area of Ebonyi State have had incidences of tribal conflicts, the worry of this researcher is therefore to ascertain the

impact these tribal conflicts experienced in Ohaukwu Local Government Area have on the development of the area. This is the thrust of this research.

Objectives of the Study

The main objective of the study is to examine the effect of inter-communal conflict on the development of rural areas in Ebonyi State, Nigeria. The specific objectives are to:

- (i) identify the causes of inter-communal conflicts in Ohaukwu Local Government Area;
- (ii) determine the impact inter-communal conflicts have on the social wellbeing of rural dwellers in the study area;
- (iii) ascertain how inter-communal conflicts affect agricultural production in the study area;
- (iv) examine the extent to which inter-communal conflicts affect the prospect of establishing cottage and large-scale industry in rural areas;
- (v) make suggestions for minimizing/eradicating inter-communal conflicts in rural communities in the study area.

Research Questions

The following questions were formulated to guide this study

- (i) What are the causes of inter-communal conflicts in Ohaukwu Local Government Area?
- (ii) What is the impact of inter-communal conflicts on the social wellbeing of rural dwellers in Ohaukwu Local Government Area?
- (iii) How does inter-communal conflict affect agricultural production in Ohaukwu Local Government Area?
- (iv) To what extent does inter-communal conflict affect the prospect of establishing cottage and large-scale industry in rural areas?
- (v) What are the ways of minimizing/eradicating inter-communal

conflicts in rural communities?

Statement of Hypotheses

The following null hypotheses were tested in this study:

- Ho₁: There are no known causes of inter-communal conflicts in Ohaukwu Local Government Area
- Ho₂: Inter-communal conflicts have no impact on the social wellbeing of rural dwellers in Ohaukwu Local Government Area
- Ho₃: Inter-communal conflict does not affect agricultural production in Ohaukwu Local Government Area
- Ho₄: Inter-communal conflict does not affect the prospect of establishing cottage and large-scale industry in rural areas
- Ho₅: There are no significant ways of minimizing/eradicating inter-communal conflicts in rural communities

Significance of the Study

This work will be of immense relevance to rural dwellers, political and traditional leaders and researchers. This study will expose rural dwellers, political leaders and traditional rulers to the origin and effect of these inter-communal conflict to the development of their communities.

In addition, the recommendations proffered can be implemented to stem the tide of inter-communal conflicts in communities in Ohaukwu Local Government Area and other part of the South-East region of the country. Furthermore, the suggestions can be used in making policies documents for stemming other conflicts like the herdmen/farmers clashes across the country.

Members of the academic circle will benefit thus: students and lecturers as well as other researchers will find this work as a good reference material for treating this and other related subject matter.

Scope of the Study

This study focussed on the effect of inter-communal conflict on rural development. Ohaukwu Local Government Area was used for the study. The study was conducted using empirical data from 2010 - 2019.

Limitation of the Study

Several challenges were encountered in the course of carrying out this study. Prominent among them is the uncooperative attitude of respondents. Some of the respondents were reluctant to answering the questions posed to them by the researcher.

Another limitation was time constraints. The study was conducted amidst regular academic activities in school. This posed a great challenge for the researcher, especially with regards to keeping appointments with the respondents and other resource persons knowledgeable on the subject matter.

Review of Related Literature

In this section, related literature was reviewed.

Gap in Literature

Conceptual Framework

Conflict

Conflict is an interactive process manifested in incompatibility, disagreement or dissonance within or between social entities (Rakhim, 2010). Rakhim also notes that a conflict may be limited to one individual, who is conflicted within himself (the intrapersonal conflict). Nicholson (2012) defines conflict as an activity which takes place when conscious beings (individuals or groups) wish to carry out mutually inconsistent acts concerning their wants, needs or obligations. It is an escalation of a disagreement, which is its common prerequisite, and is characterised by the existence of conflict behaviour, in which the beings are actively trying to damage one another (Nicholson, 2012).

Rakhim (2010) lists some manifestations of conflict behaviour, starting with disagreement, and followed by verbal abuse and interference. Conflicts can occur between individuals, groups and organisations; examples include quarrels between individuals, labour strikes, competitive sports, or armed conflicts.

Putting it succinctly, a conflict is a clash of interest. The basis of conflict may vary but, it is always a part of society. Basis of conflict-

personal, tribal, racial, class, caste, political and international. Conflict in groups often follows a specific course. *Routine group interaction* is first disrupted by an *initial conflict*, often caused by differences of opinion, disagreements between members, or scarcity of resources. At this point, the group is no longer united, and may split into coalitions. This period of *conflict escalation* in some cases gives way to a *conflict resolution stage*, after which the group can eventually return to *routine group interaction* (Okechukwu, 2017).

Communal Conflict

A **tribe** is a human social group identified in a form of kinship. It refers to primordial social groups that are clearly bounded, homogeneous, parochial, and stable. Tribes are an organization among families (including clans and lineages), which generates a social and ideological basis for solidarity that is in some way more limited than that of a nation (Wikipedia, 2019). Therefore in Nigeria, tribes are often identified by the people of same language and lifestyle, hence we have the Igbo, Yoruba, Hausa, Fulani, Ijaw all of which have the same language and homogenous culture. Okechukwu (2017) defined tribal conflict as a struggle over values or claims to status, power and scarce resources in which the aim of the conflicting parties are to gain the desired values but also to neutralize, injure or eliminate their rivals. He further asserted that tribal conflict and communal conflict are synonymous. Lyman (2011) contends that “tribal crisis or conflict is any disagreement or dispute between two or more tribes which is capable of even degenerating into riots or wars, thus disrupting the peace, tranquillity and economic life and progress of anyone or all in that tribe. Such disruption or disturbance may leads to loss of life and property often valued at high cost

Ilvento (2005), in his definition of tribal conflict, underscored the imperative of components like place, interaction and subsistence which provides an insight into dynamics of communal life for instance, people inhabit a geographic area, and work together in turn which provide opportunity for interaction, which engender conflict.

Importantly, as Oji et al (2014) opined that even the ubiquity of modern communication technology has not replaced the fundamental relationship between propinquity and interaction. In this regard, Mulin (2006) notes that conflicts in any social system (society), result from differences in perception, limited resources, role conflicts, inequitable treatment, violation of territory etc.

Tribal conflicts arise over the production and consumption of goods, socialization, social control and social participation (Warren, 2008). Tribal conflicts are therefore products of social relations. Tribal conflicts are threat or action of one party directed at territory rights, interests or privileges – of another party, because of differences over economic issues, power or authority, and beliefs (Robinson, 2000).

However, the tendency in human beings is to suppress and dominate their fellow beings and that cannot be done smoothly without some form of struggle. In doing this the general existence of man is threatened and as a result, conflict persists in human societies.

Rural Development

Development is a household concept in both the developed and developing countries. It is, however, conceptualized variously by different people. Some take it to mean change while some see it as an advancement, improvement or progress. To others yet, development entails modernization or westernization (Okonkwo, 2010), (Ele, 2006). For instance, development, in the view of Porters (1975) entails transformation, advancement to a better and desired state. Similarly, Okoli and Onah (2002) assert that development involves progression, movement and advancement towards something better. They emphasized further that the movement should be on both the material and non-material aspects of life. In essence, development goes beyond economic and social indicators to include the improvement of human resources and positive change in their behaviour. In any case, the prevailing conception of development connotes essentially enhancement in the well being of

people (Okoye, 2000). Indeed, basic to any development process is man's desire to a better life and better environment (Oyevbaire and Odagunja, 1992). So development is perhaps one social phenomenon that is desired and craved for by every society, group or community.

Deriving from our understanding of what development generally is, rural development is then that part of development that seeks to enhance the quality of life in the rural areas by providing basic infrastructural facilities (Ezeah, 2005). Indeed, the basic objective of rural development is reduction in poverty and improvement of the quality of life of the rural people. Bello-Imam (1998) in this vein defined rural development as spatially sectional but determined and conscious attempt to focus on the general upliftment of the living conditions of men in the rural areas. So, rural development in Nigeria entails the process of making life more satisfying and fulfilling to the millions of Nigerians who live in the rural areas.

Rural development is a many sided process or a multi-dimensional process involving the totality of the rural man and his environment. In essence, development in this context entails developing the rural human person and as well as his environment. Emphasizing the aspect of human development as an essential part of rural development, Mustapha (1989) notes that rural development implies a broad based re-organization and mobilization of the rural masses so as to enhance their capacity to cope effectively with daily tasks of their lives and with changes consequent upon it. It is perhaps, in this direction, that Ele (2006) posits that it is not enough to provide for the rural people; they should be enabled to develop themselves and their environment. The foregoing entails that development can only be meaningfully achieved when the population becomes agents of their own development. The development requirement of the rural areas should, therefore, be multi-dimensional. In this direction, Olayiwole and Adeleye (2005) identified and classified the infrastructural development requirements of the rural areas into three. One is the basic

infrastructure which entails the availability of good roads, water (pipe borne water), rural electricity, storage, and processing facilities etc. Two is the social infrastructure which is concerned with health and educational facilities, community centres, fire and security services etc.

Rural development is the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas (Moseley, 2013). Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry. However, changes in global production networks and increased urbanization have changed the character of rural areas. Increasingly tourism, niche manufacturers, and recreation have replaced resource extraction and agriculture as dominant economic drivers. The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than merely creating incentive for agricultural or resource based businesses. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions. Rural development is also characterized by its emphasis on locally produced economic development strategies. In contrast to urban regions, which have many similarities, rural areas are highly distinctive from one another. For this reason there are a large variety of rural development approaches used globally (Chigbu, 2012).

Causes of Communal Conflict in Nigeria

Tribal conflicts are caused by a multiplicity of factors as has been revealed in the literature (Conroy, 2014; Oji, 2014; Akachi and Olaoba, 2017; Okeke, Ibenwa and Okeke, 2017). These causes include: the Indigene and Settler Conundrum, economic resources, socio-cultural factors, political factors.

(i) The Indigene and Settler Conundrum

Tribalism or ethnicity is a very powerful force in the socio-economic politics of Nigeria, and is more fervently exhibited within the 'indigene-

settler dichotomy' (Odoemene, 2008). This sharp division results both from the awareness of indigenes (hosts) and settlers (strangers) that they are different, and from the labelling of 'settlers' by 'indigenes' (Ibeanu and Onu, 2011).

The indigene-settler question remains a contentious issue in accessing land, education, employment, political prospects and other socio-economic opportunities in Nigeria. Due to its exclusionary nature, it has been the root of many conflicts in the country.

Consequently, tribal or ethnic identity in Nigeria has profound consequences for the bearer's physical safety, political status and economic prospects (Akachi and Olaoba, 2010). This is especially so for many millions of Nigerian citizens who have to live and work in inter-ethnic contexts. Obviously, a major social and political problem Nigeria faced in the preceding century and will continue to face in this twenty-first century is tribalism and ethnicity (Agbese, 2011).

The indigene-settler dichotomy, which is a nationwide phenomenon, has largely acquired acceptability all over Nigeria. The concept of 'indigeneship' remains very strong and viable in the country, as social spaces, even cities, are identified as 'belonging to' particular ethnic groups. As Plotnicov (1972) cited in Akachi and Olaoba (2010) notes, 'Owners of the land' is a phrase widely employed in Nigeria to designate the 'indigenes' (natives) of an area, even when they are politically subordinate there; while 'strangers' (settlers), the paired contrasting term, covers people of alien origin who are permanently settled among these 'indigenes'. An attempt to clarify any of the two concepts, however, implies a simultaneous engagement with the other.

Mamdani (1998) aptly captures this relationship: 'The settler native question is a political question. It is also a historical question. Settlers and natives belong together. You cannot have one without the other for it is the relationship between them that makes one a settler and the other a native'.

The question concerning who 'indigenes' or 'settlers' are falls within the ambit of identity. This is a domain of exclusion and permanent contestation. This is so because the distinction between these groups is used for exclusionary purposes: 'indigenes' seek the exclusion of those categorised as 'settlers', while those being excluded on the ground of 'settlement' seek equity and contest their exclusion on grounds of citizenship of the Nigerian State (Egwu 2005). Thus, the 'indigene' and 'settler' syndrome in Nigeria is fast hardening into a theory of ethnic exclusiveness and exclusion. Nonetheless, apart from being a constitutive component of inter-group politics, ethnicity also has transformative tendencies, which could produce conflict as well as cooperative outcomes (Du Plessis, 2001). In other words, depending on utilisation, ethnicity could either be dysfunctional/ destructive or functional/constructive. This duality of identity is best illustrated by a measurement of ethnic identity on a spectrum ranging between hostility and symbiosis (see figure 1). Despite the widespread occurrence of violence of varying degrees in many Nigerian urban settings owing to tense conflictual relations between indigenes and settlers, a few urban social spaces have been uniquely marked by a history of productive inter-ethnic relations (cooperation, coexistence and harmony) between the diverse groups in the area.

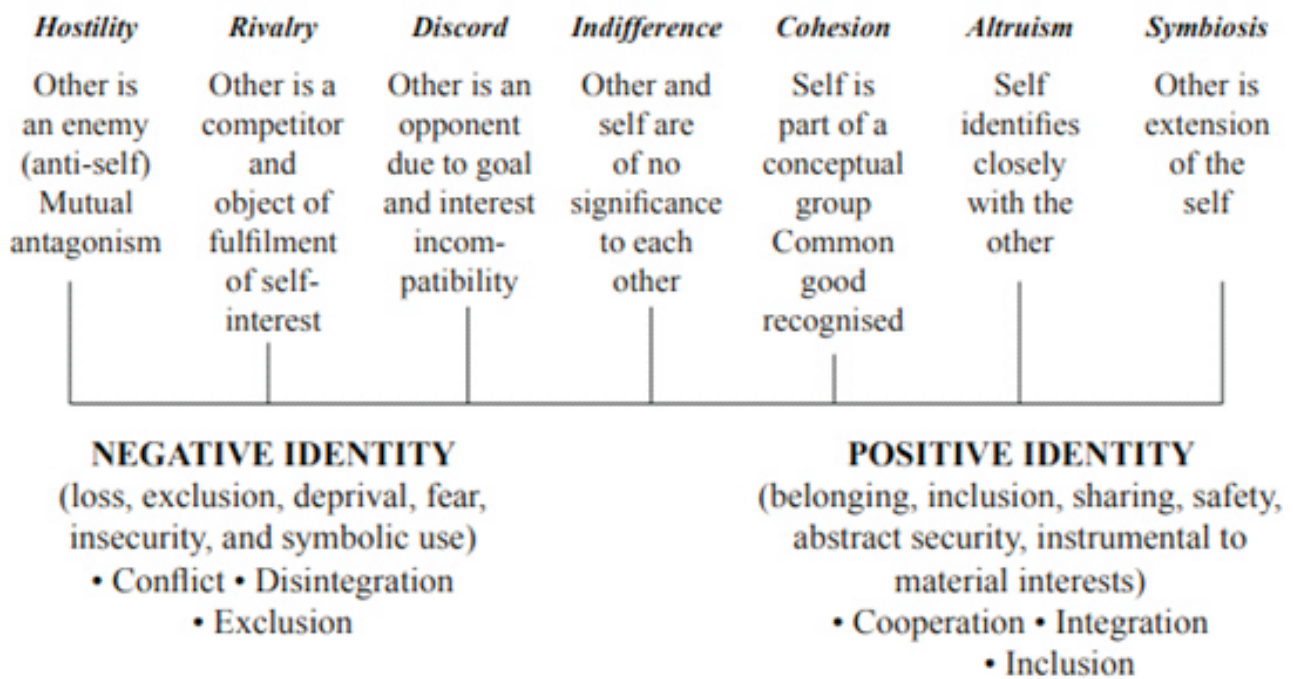


Figure 1: Measurement of Identity

Source: Adapted from Cronin (1999) cited in Akachi & Olaoba (2010)

(i) Economic Resources (Land Territory Issues in Conflict)

Several studies reveal that a reasonable number of communal conflicts in Africa and Nigerian communities are traceable to land scarcity, territorial disputes and competition for the use of land resources. Dunmoye (2003) in a survey of conflicts in the Middle Belt zone of Nigeria traced the cause of communal conflict to land scarcity and boundary disputes, due to population pressure, alienation and concentration. However, the argument that land scarcity results into dispute flies in the face of other documented findings about the socio-economic and cultural values of land and territory as economic resources. Moreover, conflicts over land are antithetical to equity, justice in distribution, allocation and use of land based resources. The Akaeze and Osso Edda Oguzaraonweya conflicts of 2003, in Ebonyi State, Aguleri- Umuleri conflict in Anambra state and the Tiv- Jukun communal conflicts Taraba state are plausible example (Ebonyi State Government White Paper, 2005; Best, 1998).

(ii) Socio-Cultural Factors

The worship and reverence of traditional and cultural values - deities, shrines and ancestors are still rampant particularly in the rural communities. Otite (2011), notes that the world of ancestors is seen as the extension of the world of the living and that supernatural beings are part of the Nigeria system of thought. The use of kola nuts, pouring of libation and animal blood as rites of land agreement, and settlement of dispute are regular features of Igbo society.

Tradition and culture have been discovered as major conflict triggers, and transformers. This has to do with the sociology of settlement and settlement pattern and cultural diffusion in many ethnic groups in Nigeria. In the study of the Tiv-Jukun conflict, Best *et. al* (2001) revealed that the Tiv as the largest ethnic group in the Middle Belt Region were able to gain strong foothold in many communities in the zone because their language and culture permeated other culture thereby altering the sociology of those communities. Echiagu (2005) posits that the settlement pattern of the Ezzas and their war-like behaviour led to the invasion of lands of neighbouring sub-ethnic groups

(iii) Political Factors:

Politics interfaces all aspects of social life, justice, basic human rights, citizenship/ identity etc. According to Ofuebe (2010), the contradictions and contestations which are hallmarks of the Nigerian political system- pluralism, cultural diversity, ethnicity, quota system, and federal character principle (the national question) are in themselves conflictual. Moreover, conflicts inexorably arise over the dispensation, distribution and sharing of resources, particularly, the competition over access to these scarce resources etc (Otite, 2011). Arguably, conflict is not so much about the scarcity of political resources than it is about perception of injustice, inequities – marginalization (Oche, 2008).

Oji (2014) recorded that in a conflict case between Ezillo community & Ezza-Ezillo community in Ebonyi State, the two parties alleged political marginalization against one another. This is particularly the case whenever either party is in position of political authority. The Ezillos cited examples of such tendencies as the forceful acquisition of 12.3 hectares of land they donated for the construction of Offices for Federal Agencies like the Independent National Electoral Commission (INEC), National Population Commission(NPC),etc., and the attempt to create Izzo community within Ezillo community, all of which were carried out when Ezza people were at the helm of affairs .On the other hand, the Ezza's alleged that they were being marginalized and denied infrastructural amenities because their Ezillo counterparts were occupying strategic positions in government.

Theoretical Framework

This work adopts the primordial conflict theory and the protracted social conflict theory. However, the study is anchored much on the primordial conflict theory because it dwells on the imperativeness of kinship and other tribal elements as a basis of human identity.

The Primordial Conflict Theory (PCT)

This theory was propounded by Geertz Clifford in 1963. This theory is based on the contiguity of

immediate kinship, group, religious community, particular language and specific social classes which people belong to. These groups have coercive power. The primordial theory says that the clan, racial or ethnic groups are the principal actors in social, political and economic lives. The collective action of each primordial group is governed by its cultural peculiarities. In the course of inter-primordial relation there will be both hegemonic and subordinate groups who may form alliances to pursue political ambition. Such alliances are usually in the favour of the hegemonic group. If the hegemonic group excludes the subordinate group from political or economic privileges, then a primordially based conflict may occur. The primordial theory therefore is concerned about the various conflicts caused by ethnic diversity. This theory is especially important for the understanding of the dynamics of tribal conflict in Nigeria because tribalism or ethnicity is a powerful identity marker alongside religion.

The Protracted Social Conflict Theory (PSC)

This theory was propounded by Edward Azar in the early 1970s. Azar tried to demonstrate his analysis of the PSC. According to him, persistent struggles by communal groups for the basic necessities of life like food, shelter, security, recognition and participation in both the economic and political arena of life could be calibrated as protracted social conflict. Azar gave examples of countries like Lebanon, Philippines, Israel, Sudan, Cyprus, Sri Lanka, Ethiopia and South Africa as places where prolonged conflicts had existed. For Azar, the role of the state to either provide or deny basic communal needs is a major factor in the promotion of conflict.

Azar's PSC is therefore based on the deprivation of basic human needs. However, struggles for the necessities of life, though visible in Nigeria, are not sufficient to explain the religious conflicts there. However, one can say that within the contingency theories, there are helpful concepts for understanding the tribal conflicts in Nigeria.

The reality of politics in modern Nigerian society is that even the police take side with the most

powerful group instead of being neutral in carrying out their role of crime prevention and control. Consequent upon this, they aid and abet well placed individual in the society who commit political violence and go unpunished while punishing others who commit the same crime but are less powerful members of the society, thereby increasing the problem of political violence in the society. From the above background it has clearly been demonstrated that even the police do not give adequate attention to prevention and control of political violence as the core of their duty, rather they are organized to manage and conspiring with the most powerful group in the society who perpetrate political violence thereby leading to social disintegration of Nigerians. Based on the foregoing major assumptions of the theory, the perspective has been adopted as one of the theoretical guide on the study of tribal conflicts and rural development in Nigeria.

Empirical Review

Akachi and Olaoba (2010) conducted a study on “Explaining inter-ethnic harmony in Enugu city, South-east Nigeria, 1970–2003”. The objective of the study was to examine the indigene-settler inter-relations in Enugu to determine why and how the city sustained ethnic coexistence, cooperation and harmony since the end of the civil war (1967– 1970). The study adopted a survey design. The study revealed that while ethnic attachment appeared to be strong, and while conflicts and occasional tensions did occur in the city, inter-ethnic relationships were cordial and symbiotic. It further identifies and interrogates cogent factors responsible for this trend. The study also revealed that the constructive management of ethnic conflicts, as demonstrated in the city, could be efficient and productive. Despite optimism in Enugu's peaceful condition, however, it concludes that potential complications could emanate, as the factors responsible for Enugu's condition are amenable to change. It was recommended that in spite of the relative peace in the city, the activities of tribal groups such as Movement for the Actualisation of the Sovereign State of Biafra (MASSOB) must be

extremely watched to avoid instigating ethnic crisis.

Aule and Bello (2014) in their study on the “effects of communal and ethnic conflicts on rural development in TIV-land, Benue State, Nigeria”, attempted to unravel the causes and effects of the phenomena and also proffer solutions to their causes so that the Tiv nation can grow and develop. Information for the study was got through primary sources via oral interview, observation, questionnaire, and secondary data (textbooks, government documents and articles). The information gathered through questionnaire was analysed using tables and simple percentages, and chi-square was applied to test the stated hypothesis for the study. The work discovered that the struggle for farmland and political positions are the major causes of the conflicts that underdeveloped the rural areas in Tiv-land. Other causes of conflicts in the area are envy (Iyuhe), witchcraft (Tsav), greed and the struggle for chieftaincy positions, among others. To stem the tide of the conflicts, the paper recommended that the Tiv Traditional council (T.T.C), rather than the law courts should settle land matters in Tiv-land; parties involved in disputes should embrace dialogue; the second term bid by politicians should be prohibited through constitutional review; and retired public officers should be encouraged by government to remain in the towns after their retirement.

Oji (2014) conducted a study on “communal conflicts in Nigeria: an examination of Ezillo and Ezza-ezillo conflict of Ebonyi state, (1982-2012)”. The study adopted a content analysis research method. The study revealed that the conventional causes of communal conflicts are indigene-settler dichotomy, socio-economic problems and quest for political resources. It was also revealed that the indeterminate and imprecise definition of who is an indigene and who is not, coupled with the mistrust, rivalries that occasion the coexistence of the two social categories are the major conflict triggers in many Nigeria communities including Ezza-Ezillo- Ezillo. The study recommended in times of communal conflicts, professional conflict mediators such as

the Academic Associated Peace work AAPW, Institute of peace and conflict studies in the Universities should be engaged as better Alternative Dispute Resolution (ADR) organ.

Alabi and Famakinwa (2017) did a study on the “effects of community conflicts on rural economic activities in Osun State, Nigeria: implications for sustainable development”. It specifically unveiled the socio-economic characteristics of the respondents; identified the causes of conflict in the study area; determined the effects of conflicts on the economic activities and identified the strategies adopted in resolving the conflicts. Ninety community members were randomly sampled and interviewed. Both quantitative and qualitative data were collected using interview schedule and Key Informant Interview respectively. Data were analysed using appropriate descriptive and inferential statistical tools. The results showed that majority (77.6%) of the respondents were married with the mean age of 43.7 years and above half (52.6%) were males with the mean years of schooling of 10.1 years. Boundary dispute (85.5%), political tussle (82.2%) among community partisans, chieftaincy dispute (77.8%), competition of community members over limited resources (74.4%) and issues related to payment of tributes (70%) were the major causes of conflict. The effects of conflicts identified include loss of properties (mean=2.23), reduction in income (mean=2.23), disruption of economic activities (mean=2.22) and loss of employment (mean=2.10) among others. The study concluded that preventive measures against future conflict such as advocacy for tolerance and sensitivity of government to people's needs should be put in place to enhance sustainable development

Okeke, Ibenwa and Okeke (2017) conducted a study on “Conflicts between African Traditional Religion and Christianity in Eastern Nigeria: The Igbo Example”. This work investigates the conflicts existing between the two religions since the introduction of Christianity in Igbo land. It examines the nature, pattern, rationale for the conflicts. The method adopted by this study is qualitative and comparative. Both oral interviews

and library materials were used. The study validates the following: There is occasional destruction of lives and property and demolition of the people's artifacts and groves by Christians, and this has led to reduction in the sources of income of the people, and in the tourist sites available in most Igbo towns; it also led to syncretism in the people's culture. It was recommended that Christians in Igbo communities should leave their opposition to traditional religion because they have given rise to disintegration and lack of unity, and that the Christians should rather brace themselves for inculcating the revelation contents of Christianity, namely, existence of one God for all men, reconciliation to the source of reality and brotherhood of man under the fatherhood of God. Okechukwu (2017) carried out a study on the “effects of inter communal conflicts in Nigeria, the case of Takum Local Government Area Taraba state”. The objectives of this research is to unravel the immediate and remote causes of this conflict, to examine the consequences of communal conflict in Takum Local Government Area as well as finding lasting solutions towards ameliorating inter-communal conflicts in Takum Local Government Area of Taraba and other parts of the country. The method used in gathering data is through personal observation and documentaries in journals and literatures. The major findings of this study show that there are high levels of mistrust, residential segregation as well as ethnic bias in Takum Local Government Area. The study recommends that government should meet periodically to dialogue with youth leaders, community leaders and traditional/religious leaders in the area on issues that affect them, issues of political marginalization and suppression should be tackled through creation of more political units/wards states and federal constituencies which will increase political representation at local state and federal levels. This will give every state of the society a sense of belonging and reduce conflicts to small and manageable dimension in Takum Local Government Area in particular and Nigeria at large.

Gap in Literature

From the above empirical studies, it is assumed no similar study has been done in Ohaukwu Local Government Area. This is the gap the current studies sought out to fill.

METHODOLOGY

Research Design

This is a survey research design. The researcher found this method to be appropriate in examining the impact of inter-communal conflicts on the development of rural economy in Ohaukwu LGA, Ebonyi State, Nigeria.

Sources of Data

The data for this study were taken from primary and secondary sources. Primary data are those obtained from the field i.e. from opinion polls, whereas secondary data were obtained from existing works like journals, textbooks, etc.

Area of Study

Ohaukwu is a Local Government Area of Ebonyi State, Nigeria. Its headquarters are in the town of Ezzangbo. It has an area of 517 km² and a population of 568,970 as at 2017. There are mainly six districts amongst numerous villages in the area. These districts are Effium, Ukwuagba Mgbo, Okposhi Mgbo, Ekwashi Mgbo, Umugudu, Okposi Eheku, Amoffia Mgbo, Umuogudu Oshia, Ezzangbo and Umuezeaka Ogbo district. The residents are predominantly farmers and artisans.

Population of the Study

The population of this study is made up of indigenes and residents of some communities that have experienced or experiencing some forms of conflicts with neighbouring communities, youth leaders, traditional leaders, women association leaders and religious leaders all from Ohaukwu Local Government Area as presented thus:

Table 3.1: Population Distribution of Respondents

S/N	Description	Population
1	Members experiencing or have experienced conflicts between communities	99
2	Various Youth leaders	46
3	Traditional leaders /elders	38
4	Women association leaders	44
5	Religious leaders	21
	Total Population	248

Source: Field Survey, 2021.

Therefore, the cumulative population for the study is 248.

Sample Size Determination

The Freud and Williams formula as cited in Nwabuoeki (2001:76) was used to determine the sample size. The Freund and Williams formula is given as:

$$n = \frac{Z^2 pq}{e^2}$$

Where: n = sample size

p = percentage of positive response

q = percentage of negative response

e = margin of error

Z = level of confidence

Due to the huge population of the study, the researcher conducted a pilot survey with 20 copies of the questionnaire distributed twice to a random sample of the population in Ohakwu Local Government Area. ninety (90) percent of the respondents returned positive rating, while ten (10) percent gave negative rating. From the result of the pilot study, the p (0.9) and the q (0.1) were generated. At $\alpha = 0.05$ (margin of error), $Z = 1.96$. Thus, we had

$$n = \frac{1.96^2 \times 0.9 \times 0.1}{0.05^2}$$

$$n = \frac{0.345744}{0.0025} = 138.2976$$

sample size = 138

Instrument for Data Collection

The instrument for collecting data is the questionnaire. The questionnaire was divided into two parts. Part A sought the bio-data of the respondents comprising of their age, gender, marital status and educational status; and part B contained items soliciting responses on the research questions

Validation of the Instrument

In order to ensure the validity of the instrument, the drafted copies of the questionnaire were presented to 3 experts for face validation. These experts include the project supervisor and two other lecturers from the Department of Cooperatives and Rural Development, ESUT. Their corrections and suggestions were used to modify

the final questionnaire that was used for the study.

Reliability of Instrument

Reliability simply means whether the test instrument is consistent in measuring whatever it sets out to measure. To measure this, the test-retest method is used. Here, the researcher administered 20 copies of questionnaire to 20 of the respondents after a period of two days, the same 20 people are again administered same questionnaire. Then the two sets of test scores obtained were compared for similarity. Cronbach Alpha was used to determine the consistency of the instrument.

Techniques of Data Analysis

The data were presented in tables using the 5-likert scale response options and analysed using simple percentages

Decision Rule

Items with higher percentage response were decided as accepted by respondents and those lower percentage were decided as rejected.

Data Presentation and Analysis

Presentation of Data

This chapter deals with the presentation and analysis of the data collected. This presentation and analysis of data were based on the response gotten from the respondents.

The data is presented on tables and analysed using inferential statistics.

Table 4.1: Table of questionnaire distribution

Categories	Copies of Questionnaire Distributed	Copies of Questionnaire Returned	Number of Valid Questionnaire	% valid Questionnaire
Members of warring communities	55	53	52	37.68
Various Youth leaders	26	25	24	17.39
Traditional leaders /elders	21	20	20	14.49
Women association leaders	24	23	23	16.67
Religious leaders	12	12	11	7.97
Total	138	132	130	94.20

Source: Field Survey, 2021.

Table 4.1 shows the copies of questionnaires distributed and returned and the ones that are valid. 138 copies of questionnaire were distributed but 132 copies were returned. 130 copies of questionnaire representing 94.20% were valid.

Table 4.2: Distribution of responses on the causes of inter-communal conflicts in Ohaukwu Local Government Area

The causes of inter-communal conflicts in Ohaukwu Local Government Area include: Land boundaries and ownership, discrimination against other tribes (regarding a community inferior to another), reprisal attacks (for retaliation or revenge), defence of cultures and traditions, and inherited disputes (continuance of ancestral communal wars)

Response Option	No. Of Respondents	Percentage
Strongly Agree	35	25.92
Agree	30	23.08
Disagree	19	14.62
Strongly disagree	20	15.38
Undecided	26	20
Total	130	100

Source: Field Survey, 2021.

From the table 4.2, 35 respondents representing 25.92% identified land boundaries and ownership as the cause of inter-communal conflict in Ohaukwu LGA, 30 respondents representing 23.08% indicated that discrimination against other tribes is a cause of inter-communal conflicts, 19 respondents representing 14.62% indicated reprisal attacks, 20 respondents representing 15.38% identified defence of cultures and traditions as a cause of inter-communal conflict, and 26 respondents which represents 20% indicated that inherited disputes is a cause of inter-communal conflict amongst communities in Ohaukwu Local Government Area of Ebonyi State.

Table 4.3: Distribution of Responses on the Impact of Inter-communal Conflicts on the Social Wellbeing of Rural Dwellers

The impact of inter-communal conflicts on the social wellbeing of rural dwellers in Ohaukwu Local Government Area, includes: conflicts, while they last, impede the building of new social infrastructures like pipe-borne water, housing etc; conflicts cause the destruction of existing amenities; peaceful and social life of the people is disrupted; and in many cases, human lives are lost.

Response Option	No. of Respondents	Percentage
Strongly agree	30	23.08
Agree	30	23.08
Disagree	29	22.31
Strongly disagree	33	25.38
Undecided	12	9.23
Total	130	100

Source: Field Survey, 2021.

From the table 4.3, 30 respondents (23.08%) indicated strongly agree, another 30 respondents representing 23.08% agree, 29 respondents representing 22.31% indicated that they disagree. 33 respondents representing 25.38% indicated strongly agree and 12 respondents representing 9.23% were undecided.

Table 4.4: Distribution of Responses on how Inter-communal Conflict affect Agricultural Production

Ways by which intercommunal conflict affect agricultural production in Ohaukwu Local Government Area, includes: farm crops along boundary lines are destroyed during conflicts, farm animals are killed or looted during conflicts, farmers are scared from going to farms, trading of agricultural harvests are hampered, and agricultural inputs and implements are sometimes destroyed

Response Option	No. Of Respondents	Percentage
Strongly agree	24	18.46
Agree	24	18.46
Disagree	29	22.31
Strongly disagree	28	21.54
undecided	26	20.00
Total	130	100

Source: Field Survey, 2021.

From the table 4.4, 24 respondents (18.46%) each indicated that farm crops along boundary lines are destroyed and farm animals are killed/looted during inter-communal conflict; 29 respondents representing 22.31% indicated that farmers are scared of going to farms during inter-communal conflicts; 28 respondents representing 21.54% indicated that trading of agricultural harvest are hampered during inter-communal conflicts; and 26 respondents which represent 20% indicated that agricultural inputs and implements are sometimes destroyed during conflicts.

Table 4.5 Distributions of responses on the extent inter-communal conflicts affect the prospect of establishing cottage and large-scale industry

Inter-communal conflict affects the prospect of establishing cottage and large-scale industry in rural areas.

Response Option	No. Of Respondents	%
Strongly agree	42	32.31
Agree	52	40.00
Disagree	10	7.69
Strongly disagree	11	8.46
Undecided	15	11.54
Total	130	100

Source: Field Survey, 2021.

From table 4.5, 42 respondents which represents 32.31% strongly agreed that inter-communal conflict affect the prospect of establishing cottage and large-scale industry in rural areas. Similarly, 52 respondents which represents 40% agreed that inter-communal conflict affect the prospect of establishing cottage and large-scale industry in rural areas. On the other hand, 10 respondents representing 8.46% disagreed that inter-communal conflict affect the prospect of establishing cottage and large-scale industry in rural areas, and 15 respondents representing 11.54% strongly disagreed. However, 10 respondents which represents 7.69% were undecided. This implies generally that to a great extent, inter-communal conflicts affect the prospect of cottage and large-scale industries in the rural areas of Ohaukwu Local Government Area of Ebonyi State.

Table 4.6: Distribution of responses on the ways of minimizing/eradicating inter-communal conflicts in rural communities

The ways of minimizing/eradicating inter-communal conflicts in rural communities, includes: massive awareness campaign on the need for harmonious relationship amongst communities; proper boundary demarcation to reduce incidences of land disputes; campaign against inter-communal discrimination; and provision of job opportunities for youths who involve in these conflicts

Response Option	No. of Respondents	Percentage
Strongly agree	32	24.62
Agree	32	24.62
Disagree	31	23.85
Strongly disagree	35	26.92
Undecided	12	9.23
	130	100

Source: Field Survey, 2021.

From table 4.6, 24 respondents (18.46%) each indicated that massive awareness campaign on the need for harmonious relationship amongst communities; 29 respondents representing 22.31% indicated that proper boundary demarcation to reduce incidences of land disputes; 28 respondents representing 21.54% indicated that campaign against inter-communal discrimination; and 26 respondents which represent 20% indicated that provision of job opportunities for youths who involve in these conflicts.

Discussion of Findings

From the first research question, it was found that Land boundaries and ownership, Discrimination against other tribes (regarding a community inferior to another), reprisal attacks (for retaliation or revenge), defence of cultures and traditions, inherited disputes (continuance of ancestral communal wars) are the causes of inter-communal conflicts in Ohaukwu Local Government Area. This finding is in line with those of **Oravee and Bello (2015)**.

Research question two revealed that conflicts, while they last, impede the building of new social infrastructures like pipeborne water, housing etc; conflicts cause the destruction of existing amenities; peaceful and social life of the people is disrupted, and tht in many cases, human lives are lost during inter-communal conflicts. Abubakar (2016) also identified lost of innocent lives as the prime effect conflict could have on the social

wellbeing of the society. Oji (2014) found that numerous properties (private and public) were destroyed in the Ezillo and Ezza-Ezillo conflict in Ebonyi State between 1982 and 2012.

It was revealed from the third question that: farm crops along boundary lines are destroyed during conflicts; farm animals are killed or looted during conflicts; farmers are scared from going to farms; trading of agricultural harvests are hampered; and that agricultural inputs and implements are sometimes destroyed. All these agricultural-related damaged were also identified by **Brosché and Elfversson (2004)** and Akachi and Olufemi (2013).

Research question four found that, to a great extent, inter-communal conflicts affect the prospect of cottage and large-scale industries in the rural areas of Ohaukwu Local Government Area of Ebonyi State.

Ways of reducing inter-communal conflicts was

sought after by research question five and it was found that: massive awareness campaign on the need for harmonious relationship amongst communities; proper boundary demarcation to reduce incidences of land disputes; campaign against inter-communal discrimination; provision of job opportunities for youths who involve in these conflicts, are some of the ways of minimizing inter-communal conflicts in the area.

Summary, Conclusion and Recommendations

Summary of Findings

From the data presented, analysed and interpreted in the preceding chapter, the following core findings were made:

- (1) That land boundaries and ownership, discrimination against other tribes (regarding a community inferior to another), reprisal attacks (for retaliation or revenge), defence of cultures and traditions, inherited disputes (continuance of ancestral communal wars) are the causes of inter-communal conflicts in Ohaukwu Local Government Area..
- (2) **That** conflicts impede the building of new social infrastructures like pipeborne water, housing etc; conflicts cause the destruction of existing amenities; peaceful and social life of the people is disrupted, and that in many cases, human lives are lost during inter-communal conflicts.
- (3) That inter-communal conflict affect agricultural production because farm crops along boundary lines are destroyed during conflicts; farm animals are killed or looted during conflicts; farmers are scared from going to farms; trading of agricultural harvests are hampered; and that agricultural inputs and implements are sometimes destroyed.
- (4) That, to a great extent, inter-communal conflicts affect the prospect of cottage and large-scale industries in the rural areas of Ohaukwu Local Government Area
- (5) That massive awareness campaign on the

need for harmonious relationship amongst communities; proper boundary demarcation to reduce incidences of land disputes; campaign against inter-communal discrimination; provision of job opportunities for youths who involve in these conflicts, are some of the ways of minimizing inter-communal conflicts in the area.

Conclusion

The study has revealed that land boundaries and ownership, discrimination against other tribes, defence of cultures and traditions, inherited disputes (continuance of ancestral communal wars) are the causes of inter-communal conflicts in the study area. **It was also established that inter-communal conflicts causes destruction of social amenities/infrastructure, agricultural production and affect the prospect of cottage and large-scale industries. The study therefore concludes that inter-communal conflicts impede rural development to a great extent in Ohaukwu Loal Government Area.**

Recommendations

Sequel to the findings, the following recommendations were made in line with the solutions already proffered:

- (i) That massive awareness campaign on the need for harmonious relationship amongst boundary communities should be pursued
- (ii) Measures such as advocacy for tolerance by religious leaders, organising conflict resolution training for the community members by the grass root tier of government, should be adopted to re-orientate rural dwellers to shun inter-communal violence
- (iii) Government should be sensitive to the people's needs and prompt intervention of the local and political leaders to the need of the people will go a long way to dissuade the mind of the people away from violence.

- (iv) The challenge of poor infrastructure, especially epileptic power supply, poor access roads and transportation services should be addressed by the Nigerian government.
- (v) Government should provide more capital funding to the young ones who present viable business ideas in order to reduce the rate of unemployment in Nigeria. This will in turn create more employment opportunities for the youths who are the ready instrument for inter-communal conflicts.
- (vi) The federal government, through the boundary commission should always try to clarify any boundary dispute between communities before it escalate into full blown violent crisis.

Area of Further Studies

The researcher recommends that further studies be done:

- (i) Strategies for curbing inter-communal in Igboland
- (ii) Effect of religious crisis on the unity of south-easterners

Contribution to Knowledge

- (i) This study provides an extent literature for students and other researchers on this subject matter.
- (ii) It also provides government with policy recommendations for mitigating the factors that leads to communal conflicts in Nigeria

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COOPERATIVE MEMBERSHIP AND PERFORMANCE OF SMALL SCALE ENTERPRISES (SSEs) IN ABEOKUTA METROPOLIS OF OGUN STATE, NIGERIA

BY

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ABSTRACT

The study investigated the effect of cooperative on the performance of the small scale enterprises in Abeokuta metropolis of Ogun State, Nigeria. Multistage sampling technique was employed to select a sample of 120 respondents for the study. The first stage involved purposive selection of two main Local Government Areas in the study area namely: Abeokuta South Local Government Area and Abeokuta North Local Government Area. In the second stage, six (06) communities were randomly selected from each Local Government. At the third (last) stage, ten (10) respondents (small scale entrepreneurs/operators) were randomly selected from each of the communities to make up 120 respondents for the study. Both descriptive and inferential statistics were adopted to analyse the data collected.

The results showed that majority (64.2%) of the business owners in the area of study were within the age bracket of 45-54 years of age. About 20.8% of the business owners were over 55 years of age. It was also revealed that 30.0% of the respondents had primary education with 60.8% married.

Overall, it was found that majority of the entrepreneurs were male, educated and married. Gender and marital status, education and duration of loans granted were found to be significant in the performance levels of the operators and their performance involvements in the activities of cooperative societies.

The enterprises prevalent in the study area included carpentry, shoe making, barbing and hair dressing among others, and they were found to be profitable.

The problems encountered by the entrepreneurs were mostly associated with technology, high cost of labour, erratic electricity supply and inadequate capital.

The information in the results are considered germane to guide intending investors in the area as well as to point to areas of crucial needs for the cooperative support so as to better the life of the small scale entrepreneurs in the area.

Keywords: Cooperative, Enterprises, Performance, Entrepreneurs, Metropolis.

INTRODUCTION:

Cooperative Society as defined by Helms (2005) is an association of persons who have voluntarily joined together to have a common end through the formation of a democratically controlled enterprises, making equitable contribution to the capital required and accepting a fair share of the risk and benefit of the undertaking in which the member activity participate. Hence cooperative society is one of the principal agents of economic development in every society. It is not only an avenue for job opportunities, but also is a training ground for rural dwellers and other climes economic emancipation and benefits. Hence, Dogarawa (2005) was of the opinion that cooperative or cooperation is a strong factor in the nation's economic development. Its importance in the performance of all economic agents can therefore not be overemphasized.

Cooperatives have been identified as vital issue in every community in the world. According to Agbasi (2010) cooperatives focus on the individuals who wish to start or expand business including small scale enterprises (SSEs) to better their socio-economic life leading to individuals who can be considered entrepreneurial.

Furthermore, Helms (2005)'s definition put cooperative society as a voluntary association of persons having mutual ownership in providing themselves some needed services on non-profit basis usually organized as a legal entity to accomplish.

A study carried out by Manap and Tehrari (2014) outlined numbers of ways cooperative societies have contributed to economic, social and national development of Nigeria, such as building of market stalls and stores, recreation centres, healthcare centres and creation of job opportunities. With regards to economic and social development, cooperatives societies promote the "fullest participation of all people and facilitates a more equitable distribution of the benefits of globalization.

They contribute to sustainable human development and have an important role to play in combating social exclusion to economic

development. Thus, promotion of cooperatives society should be considered as one of the pillars of national and International Economic and Social development (Levin, 2002).

Cooperatives are viewed as important tools for men and women. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community they serve.

However, due to the inherent problems associated to the poor performances of the large scale enterprises in Nigeria, it becomes imperative for government to device a means to promote and propagate small scale enterprises (SSEs) as a panacea to achieve self-reliant and sustainable economic growth within the country. This was embedded in the third National development plan which clearly specified the development and promotion of small scale industries as a strategy for job creation. Small scale enterprises have also been identified to be pivoted for sustainable growth of the economies of many countries. (Ariyo, 2005). It is expected to create jobs at relatively low capital, enhance the production of goods and services, reduce the level of inequality and bolster the growth of human capital required for industrialization, (Ariyo, 2005).

2. PROBLEM IN FOCUS:

It has been observed that most small scale enterprises (SSEs) in Nigeria die/fold up within their first five years of existences with a small percentage going through sixth to tenth year while only about five to ten percent survive, thrive and grow to maturity (Aremu and Adeyemi, 2010). Many factors have been identified as contributing to the premature death of these Small Scale Enterprises. Key among such factors include: Insufficient capital, irregular electrical power supply, infrastructural inadequacies such as water, road e.t.c, lack of focus, inadequate market research, over concentration on one or two markets for finished products, and lack of succession plans. Among others, inappropriate

book keeping, lack of proper records or complete absence of any records, inability to distinguish between revenue and profit, inability to procure the right plant or machinery, inability, to engage or employ the right caliber of staff as well as cut-throat competition (Basil, 2005).

This notwithstanding, the role of small scale enterprises in eradicating poverty cannot be overemphasized. However, little or no attention is given to SSEs as they are left purely in the hands of individuals to initiate and run them. It has been observed by Arinaitive (2006) that small scale enterprises in Nigeria have not performed creditably well and therefore have not played the expected vital and vibrant role in the economic growth and development of the nation. Regardless of nations however, SSEs confront similar challenges within the reality of performance to acquire competitive advantage. It is recorded that more than 50 percent of SSEs did not survive within the first five years of gestation period (Ou and Haynes, 2006; Reiss, 2006; Ahmad and Seet, 2009).

This is an affirmation that small and medium business in Nigeria is confronted with severe and various challenges to remain competitive in the market.

From the foregoing a number of questions are raised which led to the broad objective of analyzing the effect of Cooperative on the performance of small scale enterprise in Abeokuta Metropolis of Ogun State in this study. Specific objectives of the study include to:

- i. describe the characteristics of the enterprises and the entrepreneurs in the study areas;
- ii identify the major types of enterprises in the area;
- iii. examine factors that affect participation entrepreneurs in cooperative societies; and
- iv. identify the problems associated with performance of SSEs in the study area.

These are justified by the fact that cooperative societies from their antecedent have not only contributed to development of small scale enterprises but are in themselves small scale business. On yearly basis, government at Federal,

State and Local levels through policies, pronouncements, and budgetary allocations have signified interest and acknowledgement of the crucial role of the SSEs, in the economy and thus, there have also been fiscal incentives, grants, bilateral and Multilateral agencies support and aids as well as specialized institutions all geared towards making the SSEs vibrant.

Agbasi (2010) had observed that cooperatives, as economic enterprises and as autonomous self-help organization, play a meaningful role in uplifting the socioeconomic conditions, of their members and their local communities, as well as running major international business. They are found in practically all countries of the world, covering almost all the major sectors-including agriculture, forestry, fishery, Finance (banking, microfinance and insurance), electricity, (generation and supply), construction, mining, housing, transport, Manufacturing, trade and a wide range of social services.

They help create, improve and protect income as well as generate employment opportunities and contribute to poverty reduction. Cooperatives focus on the individual who wishes to start or expand a business including small and medium enterprise (SME) to better their socioeconomic life and this is led by individuals who can be considered entrepreneurial. Cooperatives are known to have assisted in the establishment and development of SSEs through its role in entrepreneurship promotion, raising capital; provision of infrastructural facilities; small scale industrialization and development of small holder agriculture.

3. METHODOLOGY

(a) Area of Study

The study was carried out in Abeokuta Metropolis comprising mainly Abeokuta South and North local Government Areas (LGAs). The Area is located in sub-humid tropical region of South Western Nigeria (Lat. 7°5'N to 7°20'E and Long. 3°17'E to 7°27'E). According to Oyawoye (2014), Abeokuta is underlined by crystalline pre-

cambian basement complex of igneous and metamorphic origin and many outcrops which can be seen in different places. This may influence the types of small scale enterprises that can be embarked upon.

As of 2005, Abeokuta and the surrounding area had a population of 593,140 spread over about 125,600 hectares of land (Wikipedia, 2010; NPC, 2010). Popular occupations in the area include local fabric (adire) making, commercial motor transportation, farming, granite quarrying and sand dredging.

(b) Sources and methods of Data Collection

Both primary and secondary data were generated through the use of sets of structured questionnaire which were administered randomly on small scale enterprises operators. Secondary data were obtained from records of statements of accounts of SSE s in the metropolis. Others were sourced from publications such as magazines, newspapers, journals, text books, reports, and seminar proceedings as well as internet.

(c) Sampling Procedure

A multi stage sampling technique was employed to obtain the sample for the study. The first involved purposive selection of the two main local Government Areas (Abeokuta South and Abeokuta North) in the Metropolis. The second stage involved selection of six (6) communities each from the two Local Government Areas to make a total of 12 communities in all. The third and last stage involved selection of ten (10) respondents (small scale Entrepreneurs) from each of the communities to make a total of one hundred and twenty (120) respondents for interview.

(d) Methods of Data Analysis

Descriptive and Inferential statistics were used to analyse the data collected.

Measures of central tendency such as frequency distribution, means, median, percentages, ratios, as well as measures of dispersion such as standard deviation, co-efficients of variations and ranking were used.

Logit regression model was used to determine the factors that affect entrepreneur's participation in cooperative societies in the study area.

The model can be explicitly stated as follows:

$$L1 = \ln [Pi / 1 - Pi] = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + b_7 X_7 + b_8 X_8 + b_9 X_9 + b_{10} X_{10}$$

Where ; pi = 1, if the respondent participated in cooperative societies

Pi = 0, if the respondent did not participate in cooperative societies

b₀ = intercept

b₁–b₁₀ = coefficients of explanatory variables X₁–X₁₀

x₁ = Age of respondents (years)

x₂ = Gender of respondents (male = 1, female = 0)

x₃ = Amount of loan granted (Naira)

x₄ = Educational level of respondent (years spent in formal school)

x₅ = Household size of respondent (number)

x₆ = Marital status of respondent(1, if married, 0 if otherwise)

x₇ = Loan duration (months)

x₈ = Years of cooperative experience of respondent (years)

x₉ = Occupation of respondent (1, if Agric based; 0 if otherwise)

x₁₀ = Savings of the respondent in the cooperative society (N)

Results and Discussion

(a) Socio-economic characteristics of the Respondents

The results of the analysis of socio-economic characteristics of SSE, operators in the study area are summarized in Table 1. The socio economic characteristics considered included age, marital status, educational level, household sizes, sex and length of experience of the respondents in cooperative affairs.

(i) Age of Respondents

The age of the respondents is an important

factor that affects their level of productivity and ability to cope with the demands of the businesses. Majority (64.2%) of the respondents are believed to still be in productive age and are therefore expected to still be in productive age and

are therefore expected to be able to make a good living out of their enterprises profitability. At this age, too, they are capable of contributing productively to the activities of their various cooperative societies.

Table 1: Analysis of Socio Economic characteristics of the Respondents by distribution

1. Age (years)	Frequency	Percentage of Total (%)	Cumulative Percentage	Mean
Below 35	3	2.5	2.5	50years
35 – 44	15	12.5	15.0	
45 – 54	77	64.2	79.2	
55 and above	25	20.8	100.0	
Total	120	100.0		
2. Sex: Male	103	85.8	85.8	
Female	17	14.2	100.0	
All	120	100.0		
3. Marital Status				
Single	3	2.5	2.5	
Married	73	60.8	63.3	
Divorced	24	20.0	83.3	
Widowed	20	16.7	100.0	
All	120	100.0		
4. Household size (number)				
Less than 4	12	10.0	10.0	6 members
4 – 6 members	76	63.3	73.3	
7 - 9 members	29	24.2	97.5	
10 and above	3	2.5	100.0	
All	120	100.0		
5. Educational Status				
No formal education	29	24.2	24.2	
Primary education	46	38.3	62.5	
Secondary education	42	35.0	97.5	
National Diploma and Higher	3	2.5	100.0	
All	120	100.0		
6. Main problem encountered				
Lack of appropriate technology	42	35.0	35.0	
High cost of labour	33	27.5	62.5	
Erratic electricity	25	20.8	83.3	
Inadequate capital	20	16.7	100.0	
All	120	100.0		

Source: Field Survey, 2021

ii. **Distribution of Respondents by Sex**

From the evidence in Table 1 majority (85.8%) of the SSEs owners are male. The situation of this parameter suggests the respondents to have enough strength to withstand the stress and rigours required for business enterprise running in the current economic situation. They are therefore expected to take advantage of the provisions of cooperatives to better their lives and that of their families, thus, adding to the improvement of the nation.

(iii) **Distribution of Respondents by Marital Status**

The marital status of respondent can affect the business in a number of ways. First it may affect the amount of funds available for investment into the business. Married couples can combine resources to have a bigger pool of money for use. Secondly it can dictate availability of labour to partake in the activities of the business in the sense that offsprings of the marriage can serve as labour in the business.

From table 1, it can be observed that majority (60.8%) of the business owners in the study area are married while about 20% of them are divorced. This shows that the SSEs in the study area are dominated by married men. From the foregoing therefore the business are expected to be relatively profitably run without much stress of labour shortage all things being equal. They will therefore benefit from funds provision from cooperatives to expand their businesses without much problem.

(iv) **Household sizes of Respondents**

The household sizes of respondents are made up of wives or husbands, children and dependants living under the same roof and eating from the same pot. In a typical African setting children and women constitute a larger proportion of the households. It is shown in Table 1 that 63.3% of the business owners have between 4 and 6 membership households. About 24.2percent have between 7 and 9 members in their households. These sizes are considered manageable to be able to cope with demands of SSEs.

(v) **Education Status of Respondents**

Education is an important factor in the lives of those involved in business management. Good education broadens their horizon, enhance their marketing abilities and help them in better decision making. Those with good formal education are expected to be more innovative and have ability to obtain more information about business risks.

Over 38 percent and 35 percent of the small scale business owners in the area had primary education, and secondary education respectively. This shows that SSEs owners in Abeokuta metropolis are generally fairly literate to meeting with the requirement to keep simple records of the activities in their business thus providing data required for further and better planning for assistance from cooperatives and governments.

(vi) **Prevailing problems confronting Respondents in the Area**

The problems being encountered by the SSE operators go a long way to determine their performance and survival. From Table 1, it is revealed that most (35%) of the respondents experienced the problem of lack of right and adequate technology required to face the challenges of running modern day SSEs. Followed by this is the problem of high cost of labour. Perhaps this is born out of shortage of manpower caused by higher enrolment in schools by young folks that could have been engaged. Of importance is also the problem of erratic electricity supply which has become national embarrassment. This curtails the scope of SSEs that can be run especially considering the exorbitant costs of diesel fuel that could have been a substitute which cannot be afforded by most if not all operators of SSEs. All these problems are of great concern and should be very well attended to if the SSEs are to survive and play the role they are expected to play in national development.

(b) **Major small scale Enterprises in the study Area.**

The enterprises in the area are indicative of

the kind of entrepreneurs in place. It was discovered that most of the entrepreneurs are engaged in more than one enterprise probably as a measure against total failure in business.

The frequency distribution of the respondents by enterprises in the area are shown in Table 2. In this table the largest number are into barbing followed by carpentry/furniture making, Hairdressing and shoe making in that order. It is a pointer to areas where demand for financial assistance from cooperatives and other loan agencies will be coming from.

Table 2: Frequency distribution of respondents by enterprises in the study area

Enterprise	Frequency *
Carpentry	99
Shoe making	87
Hairdressing	96
Barbing	102
Ice block making	58
Printing Press	23
Vulcanizing	20

Source: Field Survey, 2021

* Multiple Responses

(c) Factors affecting Entrepreneurs participation in Cooperative Societies activities

Participation in cooperative activities is often affected or determined by a number of factors. Understanding such factors will go a long way to improve membership participation in cooperative matters. The result of such investigation in the study area is shown in Table 3.

Table 3: Result of the Regression Analysis of factors affecting Entrepreneurs participation in Cooperative Societies

Variable	Regression co-efficient	T-ratio
Constant	915378.225	0.872
Age	25476.780	1.139
Gender	-1056524.604*	-1.893
Marital Status	-773101.854*	-1.811
Amount of loan granted	42891.109	1.310
Educational level of respondent	140707.838**	2.193
Household size of respondent	-322782.449	-0.933
Loan duration	1102358.362***	3.072
Years of cooperative Experience of Respondent	-0.235	-0.600
Occupation of the Borrower	20.993	0.030
Respondents savings in the Cooperative	-659488.243*	-1.592

Data Source: Field Survey, 2021

* = Significant at 10%

** = significant at 5%

*** = significant at 1%

The result shows that Gender, marital status, level of education of the respondent, loan duration as well as the respondent's savings in the cooperative are significant in determining their participation in cooperative activities. While educational level and loan duration period were found to have positive influence on participation, gender, marital status and respondents savings in cooperative to have negative influence on the participation of respondents in cooperative activities.

Generally, it was observed that owners of SSEs in the area were performing profitably to some extent and that their performance can be improved by their membership participation in cooperative activities. Higher level of education will go a long way to enhance their performance level.

5. SUMMARY, CONCLUSION AND RECOMMENDATION

The study investigated the effect of cooperative on the performance of small scale enterprises in Abeokuta metropolis. Both descriptive and inferential statistics were used to analyse the data collected on the respondents (cooperators).

Variables like age, sex, marital status and educational levels of the respondents among others were examined. The result revealed that majority (64.2%) of the respondents were within age 45 – 54years bracket while about 20% were above 55 years of age. Also about 60% of the owners of the businesses were married and about 75% of the entrepreneurs had one form of formal education or the other. It is noteworthy also that over 85% of the respondents were male with average of 6 members in a household. The enterprises embarked upon in the area included barbing, carpentry, hairdressing and shoemaking among others. Major problems experienced by

the operators included lack of appropriate technology, high cost of labour, erratic electricity supply and inadequate funds among others.

It can therefore be concluded that majority of the business owners in the study area are male, educated experienced married people with high level of potentials to perform well.

However, they will have to contend with problems of finding appropriate technologies, sourcing enough funds, high cost of labour and erratic electrical power supply to the area.

RECOMMENDATIONS

Based on the findings, it can be recommended as follows:

1. The SSEs should be re-defined in a way that will make it easier for them to access loan with less stringent measures
2. Cooperative Institutions should attract more SSE operators as a way of fulfilling its mandate of reaching out to the community concern.
3. Government should make its industrial policies be more at home/friendly with SSEs
4. Government should also support Cooperative societies to assist the SSEs especially in the area of funding. The Cooperative societies should be more engaged in the on-lending programmes of government's empowerment program for the populace.

All these are important to bring about the relevance of cooperatives in promoting small scale Enterprises in the area, and the performances of their operators.

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UTILIZATION OF COOPERATIVE LOAN AMONG LIVESTOCK FARMERS IN OGUN STATE

BY

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Abstract

Cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection. The study examined the utilization of cooperative loan among livestock farmers in Ijebu North Local Government Area of Ogun State. Multiple stage sampling technique was used to select the sampled population of 120 respondents from 22 communities in the wards. Descriptive statistics (such as frequency distribution, percentage and means), and Inferential statistics such as OLS regression were used to analyse the field data. Result showed that most respondents were within their prime age between the age brackets of 41-50 years. Majority of the respondents are married with households of between 4-6 persons. Most respondents have poultry farming as their major occupation. Large percentage of the respondents also depend on agricultural cooperative loan as their source of finance and got their livelihood improved. The farmers were monitored and encouraged to channel resources to more productive purpose. It was also recommended that extension services should be brought to the farmers as most of them are learned.

Key words: Poultry, loan, cooperative, livelihood

Introduction

For over 160 years now cooperatives have been an effective way for people to exert control over their economic livelihoods as they play an increasingly important role in **facilitating job creation, economic growth, social development** and the is the key to sustainable development (Dogara, 2005; ILO, 2022). Cooperatives foster economies of scope and scale, they **increase the bargaining power of their members providing them, among others benefits, higher income and social protection** and aid poverty reduction and stabilizing economic cycles to generate employment. By means of mutual aid, they can fulfill their basic needs, as well as have full freedom of production and work (Ribas, Pedroso, Vargas, Picinin, Freitas & Júnior, 2022).

Poultry production constitutes a critical and basic part of the agricultural economy of Nigeria, a contribution

that goes beyond direct food production however incorporates the generation of employment, source of income to farmers, development of a country's economy, source of vocation to farmers and other multipurpose uses. Poultry is a noteworthy subsector in the livestock industry, which contains chickens, turkeys, ducks, quails, peafowl, guinea fowls etc. (Kabir, Asaduzzamam & Dev, 2015). Around 89 percent of rural households in many countries especially in Nigeria rear poultry through traditional production systems like “low input-low output”. Their poultry production system is mainly associated with local chicken. Most birds are kept in small flocks under a scavenging system with feed generally available from household waste, homestead pickings, and crop residues, due to lack of finance (Kabir, *et al*, 2015). This is due to the fact that most of the new practices have to be purchased but few farmers have the financial resources to finance it

(Kabir, *et al*, 2015). Poultry production is very profitable and it is unique in that it offers the highest turnover rate and the quickest returns to investment outlay in the livestock enterprises. From various studies on the Agricultural Loan Guarantee Scheme Fund in Nigeria, it is evident that the scheme has increased the flow of funds to agriculture (Olorunwa, 2018; Nwosu, Oguoma, Ben-Chendo & Henri-Ukoha, 2010).

Poultry production is one of the major subsectors of Nigerian agricultural industry and is mainly for meat and eggs production (Adebisi, Jimoh, Asuquo, Osasona & Ojadiran, 2019; Nwalieji, Ezeakunne, Enwelu, Okeke, Udemezue, & Uzuegbunam, 2019). Despite its importance and contributions, poultry production is yet to experience a sufficient growth due to some limiting factors such as finance etc. (Effiong, Enyenihi & George, 2014). Many programs have been developed to ensure that the demand for poultry is met. Some of these programs include farm settlement scheme, agricultural development project (ADP), better life program, micro loan scheme for livestock production and the most recent program is the United Nations Development Programme (UNDP) which entails rendering sponsorship in establishing livestock parent/foundation stock at community level in Nigeria with the aim of training farmers on improved livestock breeds for gradual upgrading of local breeds and also train farmers on improved modern rearing and production methods of livestock, they increase the production of livestock products and farmers' income (Aladejebi, Afolami, & Okojie, 2014). In spite of the development of these programs, the aim of poultry industry which is to ensure self-sufficiency in poultry production and consumption has not been reached due to lack of proper loan. Hence, the need of cooperative loan to ensure attainability of their goals. Poultry is one of the most developed animal industries in Nigeria. Historically, the growth of poultry industry began as a result of its high level of energy and protein, rapid turnover rate and short incubation period (i.e. 21 days) which are advantages of poultry over other livestock, thus, access to loan remains an important tool in the development of poultry industry in Nigeria (Adeyonu, Ajiboye, Isitor, & Faseyi, 2017). Despite an increase in intensive chicken keeping in early 1980's, the withdrawal of subsidy by government on the prices of day-old chicks and feed ingredients led to a general decline in the number of poultry birds particularly under commercial production in the country. The ever-increasing cost of feeds and management forced many commercial poultry establishments to fold-up since there was no sufficient fund to purchase

necessary ingredient for production.

It has been recognized as a powerful income and employment generator as it stimulates growth of a number of subsidiary industries and is a source of cheap and nutritious food besides being a foreign exchange earner (Nazir, Chauchan, Khati & Arya, 2018). This system must be linked to technology, to production and to marketing, thus, loan is needed not only for investment in livestock craft and gear, pen, processing but also or even more for the smooth day-to-day running, culture, handling, processing and distribution of birds. Livestock farming is a crucial source of livelihoods in developing nations, particularly for low-income families in rural areas where job options are limited. Livestock is also being practiced with a growth rate that has increased over the years. Sources of funding for the operators of these sectors of the economy who are mostly poor peasants will ensure sustainable production and income generation if properly funded (Ataguba & Olowosegun, 2013). Lack of access may constrain livestock farmers' efforts and production of small-scale livestock communities thus hindering them from increasing their production and from reaching a higher social status. Historically, livestock farming has been a major source of livelihood for rural and semi-rural communities as well as a source of healthy food for humanity at large. The study also highlights that while state-owned financial institutions play a major role in financing capital expenditure, working capital requirements are mainly met by informal sources of loan. Improved access to loan might support the development of the sector, similarly to the provision of subsidies. For instance, lack of access to loan in order to help meet the substantial capital requirements at the beginning of a livestock project, and so help mitigate the high risks, is seen as a major constraint. The level of livestock farmers' use of loan facilities is very low, and there is probably the need to educate farmers on loan use and for the government agricultural lending agency and other commercial agricultural lenders to invest in this enterprise (Kwamena, Ngugi & Stephen, 2009).

Problem Statement

The prolonged crisis pervading the Nigerian economy has risen to an unexpected point. The present condition of the Nigerian economy is indeed unprecedented in the history of the global economic downturn due to COVID 19. All macroeconomic indices that spell a nation's economic wellbeing at a given point in time portray a rather pitiable and gloomy outlook for the nation. Pointing to an economy trapped in the vicious cycle of stagnation,

declining productivity, rising unemployment, and mounting foreign debt, widening the inequality gap at a magnitude without an antecedent (Usman, 2000).

In Nigeria, there is a wide gap between owned and required capital for financing most agricultural activities of farmers due to an increase in the cost of borrowing. The lack of access to capital due to a high level of interest rate is one of the major factors which hinder the development of agriculture. One of the major problems responsible for inadequate loan facilities required by farmers for their agricultural activities is a constant and persistent increase in the cost of borrowing, even though these farmers produce the bulk of the food consumed in the country. To design appropriate financial policies that will bring about an efficient financial sector in the country there is a need to investigate the effects of the present interest rate regime in the country especially in the agricultural sector. Considering the efforts being made by the Federal Government through the Central Bank of Nigeria in providing agricultural investment loans to farmers through various avenues it is necessary also to assess the acquisition, utilization, and repayment of these loan facilities on livestock farmers. Notable among such programs include; Agricultural Loan Guarantee Scheme Fund (ACGSF) where the Federal Government holds 60% and the Central Bank of Nigeria, 40% of the shares. The Fund guarantees loan facilities extended to farmers by banks up to 75% of the amount in default net of any security realized. The Fund is managed by the Central Bank of Nigeria, which handles the day-to-day operations of the Scheme. Agricultural Loan Support Scheme (ACSS) was also introduced to enable farmers to exploit the untapped potentials of Nigeria's agricultural sector, reduce inflation, lower the cost of agricultural production (i.e. food items), generate surplus for export, increase Nigeria's foreign earnings as well as diversify its revenue base. The speculative movement of funds into/out of agricultural activities depends on the level of interest rates. There is however an apparent lack of information regarding the effects of these variations in interest rates, which may help to determine to what degree government should modify its interest rate policy, especially concerning agro loan. There is also the need to understand the effects of interactions of high/low-interest rates and how they affect loan supply to farmers. This study therefore, tends to deal with the following research questions;

1. what are the socio-economic characteristics of livestock farmers in Ijebu North Local Government Area of Ogun State?
2. what are the factors affecting loan

accessibility among sample farmers?

3. what are the factors that determine the default rate among livestock farmers in the Local Government Area;

Objectives of the Study

The broad objective of the study was to determine how farmers acquire, utilize, and repay Agricultural investment loans among livestock farmers in Ogun State. The specific objectives include to;

1. describe the socio-economic characteristics of livestock (poultry) farmers in Ijebu North Local Government Area of Ogun State;
2. determine the factors affecting loan accessibility among sample farmers; and
3. determine the default rate among livestock farmers in the Local Government Area.

Justification of the Study

To design appropriate policies that will bring efficient and effective accessibility of agricultural investment loan facilities for optimum agricultural productivity among livestock farmers, there is a need to carry out a study on it acquisition, utilization, and repayment of such loans in Ogun State, particularly as it affects Ijebu North Local Government Area. This will greatly enable policymakers to identify constraints and potential areas for its improvement considering the need to enhance food and livestock security. The findings of this study will enable farmers to be aware of how to acquire agricultural investment loans, how to do it effectively, and make the repayment in due and stated time. It is also expected that this study will help to widen the knowledge of livestock farmers on the available and proper interest rate level that will enable them to achieve the best level of agricultural practices. It is hoped to help financial institutions to realize and charge interest suitable to meet the loan needs of livestock farmers. In addition, this study will enable government bodies to identify problems faced by livestock farmers in their bid to access agricultural loan facilities and be able to come up with interventions that will help bridge the gap between what is and what ought to be. Moreover, this study will help in formulating a future strategy for the realization and sustainable easy loan process for livestock farmers in Nigeria. This study will also serve as a guide to other researchers who wish to embark on related studies. Finally, it is hoped that the results of the study will be useful to researchers and farmers. Government and policymakers will also benefit from the findings of this study by utilizing information from the study to address the problems of acquiring

agricultural investment loans. This will be used as checks and balances by policymakers and academics in designing subsequent ways to make effective and efficient utilization of agricultural investment loans.

LITERATURE REVIEW

Socio-Economic Characteristics of Livestock Farmers in Ogun State

Socio-economic characteristics of farmers in any community affect their productivity and income (Cathy-Austin & Nahanga, 2017). Where such information and the limitations exist, solutions that can help improve their productivity can be proffered. Socioeconomic status is the social standing or class of an individual or group. It is often measured as a combination of education, income, and occupation. Examinations of socioeconomic status often reveal inequities in access to resources, plus issues related to privilege, power, and control. Social and factors, such as income, education, employment, community safety, and social supports can significantly affect how well and how long we live. For example, employment provides income that shapes choices about housing, education, childcare, food, medical care, and more.

Asadu, Agbo, Asadu & Onyeme (2019) asserted that fundamental objective of agriculture is to ensure food security in a nation so that households and society have access to good nutritious food for healthy living. National food security is defined as the ability of a country to produce sufficient food all year round to meet her food requirements both in quantity and quality (FMARD, 2016) communities in southeastern Nigeria (SEN) are populated by small-holder farmers (Okorji, 1986). Internationally when the farm holding of a farmer is less than 10 hectares the farmer is designated a small scale or small-holder farmer (Mgbenka & Mbah, 2016). More than 80% of farmers in Nigeria are small holder farmers and they constitute a major contributor to Nigeria's Gross Domestic Product (GDP) (Generally, small-holder farming system in Nigeria is mixed farming (growing crops and rearing of animals) and/or mixed cropping in various ways (Asadu *et al.* 2019).

This practice is most widespread in southern Nigeria. The major advantages are possession of own lab insurance against total crop failure due to pest and disease attack and climate change, and regular food supply for family use and cash. Nigeria has a land area of about 91 million hectares, with 82 million hectares good for farming; yet half of this arable land has not been exploited to produce crops and livestock to stem the threat of hunger and poverty through efficient

production system (Mgbenka & Mbah, 2016). Current statistics of agriculture to the GDP in Nigeria is 24.18 %, to non-exports earnings is 75 % and 70% of the labour force is in agriculture but agriculture's share of Federal budget is only (FMARD, 2016; Emefiele, 2017). This is against Maputo Declaration that prescribed a minimum of 10% budgetary allocation to the agricultural sector (FMARD, 2016). Major constraints on agricultural production are often associated with lack of information on soil characteristics, climate variability, available technology and socioeconomic data including market access (Asadu & Nweke, 1999).

Agricultural Investments

Most empirical studies converged on the fact that access to loan has a positive effect on smallholder farmers' investment, regardless of the form of loan. Some examples are those of Kaboski & Townsend (2012) for Thai farmers and Crépon *et al.* (2015) for Morocco. However, the form of the loan contract plays a role in the intensity of the impact. It was indicated that loan programs often impose a rigid repayment plan that makes it less useful for farmers whose income tends to be seasonal and unpredictable, especially in the absence of a reliable savings system. Thus, repayment periods must reflect the agricultural enterprise's cash flow (Beaman *et al.*, 2014) and offer grace periods allowing risk-taking so that the farmer has time to adjust for errors (Field *et al.*, 2011). Altogether, there is no clear evidence of the impact of access to loan on farmers' technical efficiency. Moreover, the results of some of the studies above must be interpreted with caution because they may suffer from selection bias or simultaneity bias. In Liu & Zhuang (2000), the liquidity constraint was used as a proxy for access to loan. The liquidity variable is the amount of money the farmer has in his bank account at the beginning of the season plus formal and informal loans standardized per hectare of land to control for farm size effect. Such a measure may suffer from simultaneity bias as acknowledged by the author. Households make resource allocations at the beginning of the season, which affects their productivity, which in turn has an impact on the liquidity available at the beginning of the following season. The authors have certainly tried to address this issue using the predicted value of the liquidity in their econometric model, but this is not sufficient to estimate the marginal effect of loan access. It is difficult to separate households with liquidity constraints from those who do not have such constraints.

In addition, some of the empirical studies

above focus on small samples that do not provide sufficient statistical power for the results. For example, the sample size in Abdulai & Eberlin's (2001) study was only 120 households. Furthermore, none of the studies that found positive impacts of access to loan on smallholder farmers' technical efficiency made an explicit attempt to correct for self-selection bias.

When there is self-selection, as is the case for loan programs, the estimated stochastic production frontier parameter and associated technical efficiency scores are likely to be biased. Hence, we speculate that the positive impact found could be because farmers who choose to take up the loan are those who are the most productive.

Loan availability

Bolarinwa & Oyeyinka (2005) observed that inadequate loan provision and poor marketing systems have induced agriculture productivity drastically to the extent that food importation has been on the increase in recent years. According to them, since agriculture in Nigeria and most other developing countries are where small-scale farmers predominate, several constraints and barriers which appear insurmountable, limit the overall farming activity which reflects heavily on the economy of the country. The Food and Agricultural Organization, reported that rural people need loan facility to allow investment in their farms and small businesses. This is because lack of loan has plagued poor farmers and rural dwellers for many years. Towards this end, the United Nations advocate the granting of micro-loan facility, particularly to the rural poor.

Although there is no reliable data, imprecise indicators show that capacity utilization in the sector has improved perceptibly in the period since 1999, but the sector is still faced with several constraints with lack of loan availability as the principal constraint. Loan is the largest element of risk in the books of most banks and failures in the management of loan risk, by weakening individual banks and in some cases the banking system, have contributed, to many episodes of financial instability. A greater understanding of the nature of loan risk, leading to improved measurement and management, would help to strengthen the international financial system vis-à-vis the small and medium enterprises in the long-run. An increasing amount of research on loan risk is being carried out within financial firms, central banks, regulators and universities.

In less developed countries where there is a dearth of information on the operations of SMEs, the situation degenerates into total risk-aversion by financial institutions in funding SMEs. Such risk-

averse behaviour can ultimately affect the performance of monetary policy through the loan channel of policy transmission and perhaps snowball into financial instability in the system. Bank Lending rules and their impact on funding SME's and analyze two surveys in Nigeria, one by the World Bank and another by the Central Bank of Nigeria to explain the banks' risk-averse behaviour in lending to SMEs, as well as the implication of such risk-averse behaviour on financial stability via loan channel of monetary policy.

Financial Statement Rule

This lending rule places emphasis on evaluating information from the firm's financial statements. The decision to lend and terms of the contract are principally based on the strengths of the firm's balances sheet. Financial statement lending is best suited for relatively transparent firms with certified audited financial statements. Thus, it is likely to be the rule of choice for lending to large firms. But when adapting this rule for small firms, the firms must be ones with long histories, relatively transparent transactions and strong audited financial statements (Berger & Udell, 2001). Unfortunately, many small firms in Nigeria lack these qualities.

Asset-Based Lending Rule

The most apparently guaranteed form of lending to SMEs is asset-based lending. This lending technology bases its decision to lend on the quality of the available collateral. This type of lending requires constant monitoring of the business and this can prove to be expensive. The collateral in this case may be accounts receivable and inventory; this is why the bank has to intensively monitor the turnover of these assets. This is the most common lending rule for SMEs in Nigeria.

Loan-Scoring Rule

This lending technology uses a summary statistic about the borrowers expected future loan performance. In fact, loan scoring assumes that loan analysis ultimately determines that the personal loan history of small business owners is highly predictive of the loan repayment prospects of the business. Loan scores have been used for sometimes now in the U.S in underwriting consumers' loans, this lending approach has only been recently applied to small commercial loans which have been thought to have non-asset-based rule, loan scoring, and relationship lending. The adverse selection problems occur when standardized documentation and to be too heterogeneous. The method for the use of loan scoring involves attaching heavy statistical weights to the financial conditions

and history of the principal owner given that the loan worthiness of the owner and that of the firm are closely related for most small businesses.

Relationship Lending Rule

In relationship lending, the lender bases its decision to lend in substantial part on propriety information about the firm and its owner through a variety of contacts over time. Additional information may also be gathered through other members of the local community, such as suppliers and customers, who may give specific information about the firm owner or general information about the business environment in which they operate. Importantly, the information gathered over time has significant value beyond the firms' financial statements, collateral, and loan scores. This information helps the relationship lender deal with information opacity better than potential transaction-based lenders. Empirical studies have proved that relationship lending affects the pricing and availability of loan. A stronger relationship measured in various ways is empirically associated with lower interest rates for the firms. Lending provides greater protection against the interest rate cycle.

However, relationship lending involves the role of agents in gathering information and this could add extra costs to the banks. There is still a gap in the empirical literature as to how to determine how relationship lending works and how the organizational structure of the banks aids their ability to deliver. It is also necessary to determine how recent changes in the economic environment are likely to affect the availability of loan to small businesses.

Loan use

Nwankwo (2013) observed that the role of financial capital as a factor of production to facilitate economic growth and development, particularly focusing on alleviation loan constraints of poor rural farmers could not be over emphasized. Also, Olatomide and Omowumi (2011) contended that the smallholders, already caught in the quagmire of the vicious cycle of poverty, requires not only labour or land but also an injection of capital to extricate them from that cobweb. Loan (capital) is viewed as more than just another resource such as labour, land, equipment and raw materials (Rhaji, 2008). However, when a farmer is granted a loan, so many other things must go with it before the loan can turn out to be a productive instrument. Apart from the fact that agriculture is constrained by natural forces, farmers' attitudes with respect to the use of loan is also an important factor (Olatomide & Omowumi, 2011), which essentially

determined its use efficiency and overall productive efficiency.

Theoretical Framework

Loan relationships are represented in a simple way. In this economy there are $N - 2$ lenders (indexed by $i \in N = \{1, 2, \dots, N\}$) who compete over the loan contracts to finance a single borrower. The entrepreneur is penniless though she has access to the technology for the production of the only existing good. Contractual offers are simultaneous. Having received all the contract's proposals, the borrower decides which of them to sign taking into account that she can accept any subset of them. The production process is stochastic and the probability distribution over the random outcomes is determined by the entrepreneur's choice on a non-contractible action (effort).

The entrepreneur's effort space is made of two elements: e^H and e^L , with $e^H > e^L$. If the high effort e^H is chosen, production successfully yields $G(I)$ for every I invested with probability p and 0 with probability $1 - p$. If, on the contrary, the low effort e^L is taken, the entrepreneur's activity is unsuccessful with probability

Exerting effort implies some disutility for the borrower. We chose to represent this feature using a

private benefit function $\varphi(e)$, which takes values φ

$(e^H) = 0$ and $\varphi(e^L) = B(I)$. The private benefit function

$B(I)$ is assumed continuous, increasing and convex and such to satisfy the Inada conditions. For the discussion that follows, we adopt a linear version of the private benefit function, i.e. $B(I) = BI$.

In other words, we are considering the set of outcomes $Y = \{G(I), 0\}$ The private choice of effort affects the probability distribution of these realizations. In particular, if the entrepreneur exerts high effort e^H , the probability vector is given by the array: $\{p, 1 - p\}$ with $p > 0$. If instead the entrepreneur shirks, i.e. chooses low effort e^L , the lottery is degenerate and equal to $\{0, 1\}$ The production function $G(I)$ is continuous, increasing and strictly concave in I . Inada conditions are also satisfied.

Let us describe the normal form of the game we are

considering. Lenders strategically compete over financial contracts. The strategy of each lender i is the choice of the contract C_i . The contract offer C_i prescribes a repayment line R_i and a loan amount I_i , i.e.

$$C_i = (R_i, I_i) \quad C_i$$

where C_i is the set of feasible contract offers for each lender i . We also denote $C = \bigcup_i C_i$ the aggregate set of offered contracts 7. The borrower's strategy is therefore given by the map:

$$s_b : C \rightarrow \{0, 1\}^N \{e^H, e^L\}$$

With a small abuse of notation, we also define the generic element of the set $\{0, 1\}^N$ as the array $a_b = (a_b^1, a_b^2, \dots, a_b^N)$, where $\bullet \in \{0, 1\}$ is the borrower's decision of rejecting or accepting lender i 's offer. The choice of the array defines the set of accepted contracts

$$a_b = (a_b^1, a_b^2, \dots, a_b^N)$$

Picard (2002) a conceptually described the production function as the relationship between the amount of inputs used and the maximum level of output to be produced. The production function represents a set of technical constraints that a firm is facing. Output is achieved by combining certain amounts of different inputs. According to Mudida (2003) a simple agricultural production function is obtained by using labour and land as inputs and by recording alternative outputs per unit of time. Ahuja (2006a, 2006b) highlights that a production function, especially an agricultural production function, can be extended to include more than two factors like land, irrigation and fertilizers.

Analytical Framework

Descriptive Statistics

Numerous scholars have adopted descriptive statistics such as means, mode, median, percentages, and statistical package for social science (SPSS) and more in the studies of socioeconomic characteristics of rural households and smallholder farmers especially in Nigeria and Africa at large. This technique would be used to analyze the sources of agro-loans available in Kaduna state. Also, accepted the use of the following variables; Age, Sex, Marital Status, Household Size, Educational Level, Occupation and Income. The use of statistical packages in the analysis of rural household characteristics of Enugu State and used descriptive statistics to analyze the social characteristics of rural Nsukka in Enugu state.

Ordinary least square

Since the objective of this study was to establish a causal relationship between the dependent and the independent variables in the model, the linear form of the regression was run. The ordinary least square technique was used to estimate the parameters of the model. This was because with the normality assumption for e , the OLS estimators are normally distributed and they are said to be the best-unbiased estimators (BUE). The regression analyses were run stepwise using the SPSS package to determine the order of importance of the explanatory variables in explaining the variations observed in the dependent variable. The t-test was performed to test the significance of each of the explanatory variables at alpha levels of one, five, and ten percent. Chow test was performed to test for significant difference between equations for Members and non-Members savings models.

Methodology

The Study Area

The study was carried out in Ijebu North Local Government Area of Ogun State, Nigeria. Ogun State is in the south-west rainforest zone of Nigeria. **The Local Government Area was created 1979 and has its headquarters at Ijebu-Igbo.** It lies within latitude 6°57' N 4°00'E. It is bounded in the West by Ijebu East Local Government, in the East by Ikenne Local Government, in the North by Oluyole Local Government of Oyo State and in the South by Ijebu North East, Odogbolu and Ijebu Ode Local Government. It has human population of 284,336. **Ijebu North Local Government Area covers about 967 square kilometers.**

Sampling Technique

Ijebu North Local Government Area of Ogun State was purposively selected for this study due to her agricultural livestock contribution to the

nation. Taro Yamane and Multi stage random sampling technique was used to select 120 poultry farmers in the study area. The first stage involved selection of four (04) wards among eleven (11) wards in the Local Government Area. The wards selected are Ago-Iwoye 1, Ago-Iwoye 2, Oru-Awa-Ilaporu and Ako-Onigbagbo/Gelete these were chosen due to their leading and notable production levels of livestock farming that involve poultry. The second stage involved random selection of three (03) purposive towns with high level of livestock production from each of the selected wards in the Local Government Area in stage one. In the third stage, poultry farmers were randomly selected on proportion based on the sampling frame from each of the towns. This sampling procedures give a total of one hundred and twenty (120) respondents used for the study.

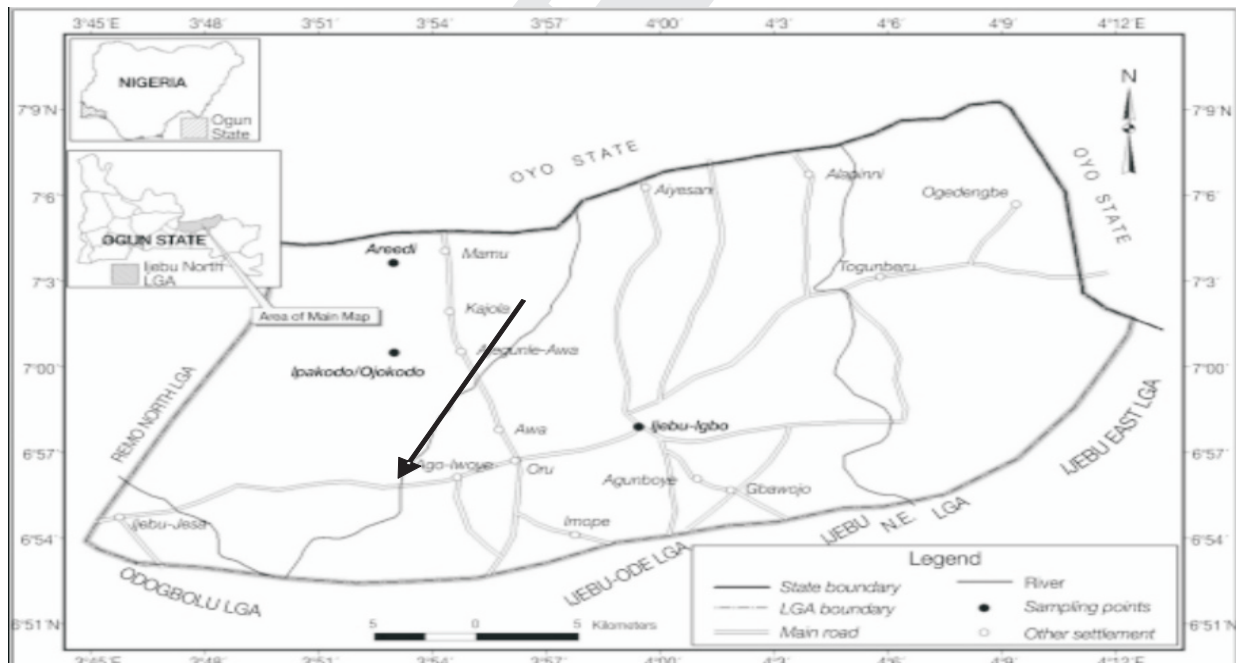


Fig. 1: Map of Ijebu North Local Government Area of Ogun State

Source: (Researchgate.net)

Method of Data Analysis

A mixture of analytical tools were employed for the purpose of achieving the objectives of the study. These include Descriptive statistics and the Four-functional forms etc. The socio-economic characteristics of livestock producers (poultry) in the study area was analysed by descriptive statistics. This include computation of descriptive statistics (means, standard error of means, percentile, etc.) which summarised in a simple table to form the pool data analysis. Frequency distributions was used in addition to the description of demographic and socio-economic characteristics of the livestock farmers.

Model Specification

The Linear Function of multiple regressions was used to estimate the loan default rate among livestock farmer in the state and in determining the factors affecting loan accessibility among sample farmers.

Model specification is as expressed below:

$$Y = \alpha_0 + \alpha_1 X_1 + \dots + \alpha_k X_k + \epsilon_i$$

Where:

Y = Amount of loan applied for (N)

X's = independent variables defined as follows:

X₁ = Membership fee (N)

X₂ = Educational level of livestock farmers (Years spent in school)

X₃ = Monthly income (N).

X₄ = Household size (number)

X₅ = Interest on loan (N).

X₆ = Business experience (Years)

X₇ = Age of livestock farmers (Years).

X₈ = Marital status (Marital status = 1; 0 otherwise)

X₉ = Farm size (Present Farm worth (N))

X₁₀ = Availability of Credit Agent for inspection (No of Visits)

X₁₁ = Repayment period (in months)

α₁ = Vector Parameter

ε₁ = Error term

Loan Default Model

The Linear Function of multiple regressions was used to estimate the loan default rate among livestock farmer in the state.

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \dots$$

Y = Loan overdue (N)

b₀ = Age in years

a₁ – a₈ = Coefficients of explanatory variables (i.e. X₁ – X₈)

X₁ = Age of respondents (years)

X₂ = Gender of respondents (Male = 1, Female = 0)

X₃ = Amount of Loan granted in naira

X₄ = Livestock Farm size (number)

X₅ = Educational Level in years

X₆ = Household Size (persons)

X₇ = Marital Status

X₈ = Loan duration (Months)

X₉ = Year of Livestock Experience

U = Error term

RESULTS AND DISCUSSIONS

The description of the utilization of cooperative loan among cooperative farmers was analysed using descriptive analysis tools. These include the use of statistical table, frequencies, percentiles, means etcetera. This section discusses the socio-economics characteristics of the respondents. Table 1 revealed that majority (57.5%) of the respondents are male this shows that male counterpart dominated poultry business in the study area. This is in tandem with Susanya, Yaliastuti & Pura, (2018), characteristic can be interpreted as the participation of members of various forms of activities are organized and that men have more capacity and energy than female. The highest is household size is range between 2 – 4 household (50.0%) with the mean of 3 household size it equally showed that they will make good use of loan to generate good income. The highest age is range between 41 – 50 years

(52.5%) showed that the respondents are in their prime age and could utilize loan well. The years spent in poultry business determine how well the respondents would utilize loan as years count and show expertise, based on the results it was revealed that majority (51.6%) had 6 – 10 years' experience which is a good fit in business. The income earned by them revealed that they would need loan to improved their businesses as the results showed that majority (54.9%) N150,000 per month which is too small considering the economy at present and the ravaging of Covid 19, thus, would need loan to augment their poultry business and earned more livelihood. Majority (49.2%) had secondary education shows that they would manage loan collected adequately.

Table 1: Socio-economic characteristics of rural dwellers in Ogun State

Variable	Frequency	Percentage (%)	Cumulative (%)
Gender			
Male	69	57.5	57.5
Female	51	42.5	100.0
Household Size			
< 1	8	6.7	6.7
2 – 4	60	50.0	56.7
5 – 7	35	29.5	85.8
≥ 8	17	14.2	100.0
5 household members	0.18	3.06	
Age (years)			
21 – 30	13	10.8	10.8
31 – 40	24	20.0	30.8
41 – 50	63	52.5	83.3
51 – 60	17	14.2	97.5
61 ≥	3	2.5	100
Mean			
41 years			
Years in Poultry Experience			
≤ 5	27	22.5	22.5
6 – 10	62	51.6	74.1
11 – 15	31	25.9	100.0
Mean			
7 years			

Farm Size (Birds)			
≤ 500	47	39.2	39.2
501 – 1000	52	43.3	82.5
1000 ≥	21	17.5	100.0
Monthly Income			
≤ ₦50000	20	16.6	16.6
₦50001 – ₦150000	66	54.9	71.5
₦150001 – ₦400000	30	24.9	96.4
> ₦400001	4	3.6	100.0
Mean			
₦70,789.86k			
Education			
No formal education	3	2.5	2.5
Primary	19	15.8	18.3
Secondary	59	49.2	67.5
Tertiary	32	26.7	94.2
Adult education	7	5.8	100.0
Farming scale			
Small	40	33.3	33.3
Medium	55	45.8	79.2
Large	25	20.8	100
Marital Status			
Single	15	12.5	12.5
Married	87	72.5	85.0
Divorce	8	6.7	91.7
Widow	1	0.8	92.5
Separated	9	7.5	100.0

Source: Computed from Field Survey Data, 2021

Determinants of factors affecting loan accessibility among sample Farmers

OLS regression analysis was used to determine the factors affecting loan accessibility among sample farmers in the study area. Based on statistics, the linear function was chosen based on the value of R^2 (51.1), F-Ratio value (10.260), conformity of the signs with a priori expectations of the model and the highest number of significant variables. The coefficient of Determination (R^2) was found to be 0.511 (51.1%). This is an indication that 51.1% of the variation in the factors affecting loan accessibility among sample farmers was explained by the explanatory variables (socio-economic characteristics). Hence, the findings present the marginal effects of the estimated econometric model. The F-Ratio (10.260), which determines the overall significance of the econometric model, is significant at 1% level of probability, hence concludes that farmers socio-economic characteristics are significant determinants of loan accessibility. The estimated parameters and the relevant statistical test result obtained are presented in Table 2. It had an adjusted R^2 value of 0.461. This implies that about 46.1% of the variation in output (Y) is accounted for by the variables ($X_1 - X_{11}$) included in the model. The F-Value is positive and statistically significant at 1%, indicating that the variables included in the model adequately explained the output in the survey area.

Out of the 11 variables modelled, the coefficient of monthly income, interest paid, number of birds, and mode of loan repayment are positively significant. This implies that increase in these factors will lead to an increase in the farmers' loan accessibility. Others are negatively significant, which implies that they must be kept constant else they will have an adverse effect on loan accessibility.

Table 2: Determinants of factors affecting loan accessibility among sample Farmers

Variables	Coefficient	Std. Error	Beta	t-value	Significant
Interest paid	64177.939	7777.298	0.643	8.252***	0.000
Membership fee	-10.995	2.500	-0.386	-4.398***	0.000
Educational level	-9732.148	8137.720	-0.089	-1.196	0.234
Monthly income	0.363	0.145	0.373	2.496**	0.014
Household size	-4489.683	3247.867	-0.110	-1.382	0.170
Year of experience	-7742.569	3958.579	-0.215	-1.956*	0.053
Number of birds	12.306	55.502	0.040	0.222	0.825
Marital status	-3199.557	7575.041	-0.31	-0.422	0.674
Farm value	-0.014	0.026	-0.123	-0.538	-0.592
Credit agent visit	-664.110	8593.842	-0.008	-0.77	0.939
Mode of payment	19593.726	30414.443	0.75	0.644	0.521

Model Fit Test

Constant	R	R ²	Adjusted R ²	R ² Change	F change	Df1	Df2	Sig. F change
43170.035	0.715 ^a	0.511	0.461	0.511	10.260	11	108	0.000

Source: Field survey, 2021; ***,**,* significant at 1%,5%,10% level of significance respectively.

Examining the default rate among livestock farmers in the state.

OLS regression analysis was used to examine the default rate among sample farmers in the study area. Based on statistics, the linear function was chosen based on the value of R² (51.7), F-Ratio value (13.062), conformity of the signs with a priori expectations of the model and the highest number of significant variables. The coefficient of Determination(R²) was found to be 0.517 (51.7%). This is an indication that 51.7% of the variation in the factors affecting default rate

among sample farmers was explained by the explanatory variables (socio-economic characteristics). Hence, the findings present the marginal effects of the estimated econometric model. The F-Ratio (13.062), which determines the overall significance of the econometric model, is significant at 1% level of probability, hence concludes that farmers socio-economic characteristics are significant determinants of loan default. The estimated parameters and the relevant statistical test result obtained are presented in Table 3. It had an adjusted R² value of

0.477. This implies that about 47.7% of the variation in output (Y) is accounted for by the variables ($X_1 - X_9$) included in the model. The F-Value is positive and statistically significant at 1%, indicating that the variables included in the model adequately explained the output in the survey area.

Out of the 9 variables modelled, the coefficient of age of respondents, sex, amount borrowed, educational level of respondent and duration of loan repayment are positively significant. This implies that increase in these factors will lead to an increase in the farmers' ability to repay on time. Others are negatively significant, which implies that they must be kept constant else they will have an adverse effect on loan accessibility.

Table 3: Examining the default rate among livestock farmers in the Area.

Variables	Coefficient	Std. Error	Beta	t-value	Significant
Age of respondent	0.016	0.005	0.321	3.284***	0.001
Sex	0.082	0.063	0.092	1.304	0.195
Amount borrowed	4.246E-007	0.000	0.273	2.287**	0.024
Number of birds	0.000	0.000	-0.094	-0.771	0.443
Household size	-0.010	0.018	-0.054	-0.568	0.571
Marital status	-0.020	0.037	-0.042	-0.537	0.592
Duration of payment	0.244	0.032	0.578	7.689***	0.000
Years of experience	-0.044	0.016	-0.266	-2.731***	0.007

Model Fit Test

Constant	R	R ²	Adjusted R ²	R ² Change	F change	Df1	Df2	Sig. F change
-0.345	0.719 ^a	0.517	0.477	0.517	13.062	9	110	0.000

Source: Field survey, 2021;***,**, significant at 1%,5%, level of significance respectively.

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of Findings

Cooperative loan among farmers in Ijebu North Local Government Area of Ogun State shows how effective and helpful cooperative loans has been to farmers (particularly poultry farmers) in the study area. Components of socio-economic characteristics include; age, gender, marital status, number of wives, household size, educational level, major occupation, source of finance, interest paid, duration of repayment and creditor's visit were analysed and revealed how they can bring alterations in the

effective utilization of agricultural loan.

Analysis of age of farmers revealed that majority (52.5%) of the farmers were between the age bracket 41-50 years. 57.5% were male and 72.5% of the sampled farmer were married. Majority of the respondents (49.2%) attained secondary level of education. Though respondents have several other occupation the sample is dominated by poultry farmers holding 35.8%. 51.6% respondents has an experience of 6-10 years in poultry farming. Analysis also revealed that majority (50%) of the respondent has a household of between 2-4 persons, 52% respondents had 501-1000 birds. 65.8% respondents obtained loan from cooperatives as their source of capital.

Ordinary Least Square (OLS) was used to analyse the determinants of factors affecting loan accessibility among sample farmers. OLS was also used to examine the default rate among livestock farmers in the area.

Conclusion

The study revealed that cooperative loan is a dependable source of finance for poultry farmers in Ijebu North Local Government Area. As farmers spend more years in the business they tend to gain more knowledge and use loan obtained more effectively. It was also revealed that the economical friendly rate of interest charged by cooperative societies make loans accessible for poultry farmers.

Recommendations

More poultry farmers should be encouraged to join cooperative to enhance their livelihood and productivity.

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CONTRIBUTIONS OF PARTICIPATION IN COOPERATIVE ON HOUSEHOLDS INCOME IN IJEBU DIVISION OF OGUN STATE, NIGERIA

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ABSTRACT

This study assessed the contribution of participation in cooperative on household income in Ijebu Division of Ogun State, Nigeria. Primary data were used for this study. A multi-stage random sampling technique was used to draw a sample of one hundred and twenty-six (126) members for the study. Descriptive and regression analysis were done. This result revealed that 51.6% of the respondents are male while females are 48.4%, majority are married. Only 14.3% of the respondents had no formal education. An evaluation of income of the respondents revealed that average income was N573,134.08k per household. The regression model indicated that three out of the nine variables, namely years of formal education, number of sources of income and amount of credit used in enterprise formation had significant impact on households' income. It was concluded that cooperative contributed to the income of its members in the study area because the amount of credit obtained from cooperative and put into the formation of their new and existing business influences their income positively. The study therefore recommends that Government should invest more in Adult education and training in rural areas to equip them with the knowledge and skill to secure good livelihoods and alleviate poverty and Cooperative Societies should sensitize members on the importance of membership participation and cohesion in cooperative societies. This will go a long way to establish good relationship among

members.

Key words: Participation, Cooperative, Income, Households

Introduction

Efforts to poverty alleviation by Nigeria's Government seems to be gloomy over the years (Abbas, 2013). It is therefore not surprising that poor people in Nigeria are left vulnerable to all kinds of inhumane treatment and exploitation by both agents of state and private authorities from which they seek for assistance. Unfortunately, since poor people lack independence, power and voice which to rely on for daily survival, they become cheap for all kinds of political and economic exploitation. The gravity of poverty and its situation is however dynamic across the globe. For example, the number of people living in poverty in Africa and Nigeria inclusive is unfortunately on the increase (MDG, 2015). The poverty trend in Nigeria is further aggravated due to lack of basic needs for decent life; access to clean or portable water, healthcare services, education opportunities, shelter, housing (UNDP, 2015).

Considering the seriousness of the matter, successive political regimes have come up with one strategy or the other to alleviate poverty in the country. However, none of the government policies seems to be yielding positive result as poverty situation till date remain pervasive (Abbas, 2013). Such poverty alleviation strategies used by the government to tackle

poverty in the country include micro-credit loans, skill acquisition, training, job creation etc. The reality in Nigeria, however is that most of the poverty alleviation strategies do not recognize people as supreme in its policy making or implementation. Most of the strategies of poverty alleviation are prepared within the top executives and are later introduced to the public. Any control which the ordinary people might have enjoyed is obviously indirect as only top executives who do not really understand the situation of the ordinary poor make such policies and strategies.

It is in view of such failures of policies and strategies by successive governments that strategic alternatives are desired towards addressing poverty situation in the country. In terms of policy choice or making important decisions, cooperative societies provides voice to its members as it creates social, economic and political structure to represent their collective interest (Ezekiel, 2014). Other benefits of cooperative societies that are achieved according to Fapojuwo *et al.* (2012) also include improvement in member's income earned and other economic benefits, facilitation of social welfare among its members, creating job opportunities, financial inclusion, educational support for members and their children and women and youth's participation in economic activities, among others.

Looking through the activities of cooperative societies, the Nigerian system which is fundamentally democratic in nature must also embody the wishes and aspirations of the people. In the case of poverty alleviation efforts the situation should not be in anyway different as efforts made by government have failed over time. Thus, since poverty still remains a serious menace in Nigeria, despite various efforts made by successive governments to reduce it, the role that such non-governmental organizations and bodies like cooperative societies play in poverty alleviation in recent time becomes imperative.

Co-operative organizations have great potential in agricultural development in particular and rural

development in general (Zarafshani *et al.*, 2010). It is a catalyst for local entrepreneurial growth; cooperatives retain within the communities in which they operate the capital that they mobilize there, as well as surplus derived from outside transactions, both accumulating for further entrepreneurial development. As direct beneficiaries, Cooperative members have a strong incentive for efficient operation and continuous innovation in response to changing business environments, achieving thereby high rates of both initial success and long-term viability. An important contribution of the Co-operative movement continues to be its capacity for promoting and supporting entrepreneurial development (COPAC, 1999).

Cooperative organizations exist within any aspects of our economy, so long as there is felt need and willingness amongst the people to cooperate (Uzonwanne, 2015). There are therefore various types of cooperative organization in Nigeria prominent among which are: Agricultural cooperative, Consumers cooperatives and Cooperative thrift and loan societies. Cooperative organization can also be defined as a business organization where various entrepreneur cooperators pool their resources together with view of making profit for their own sustainability and economic survival such as the cooperative thrift and loan societies.

The unfortunate situation of poverty becomes manifest in the increased rate of unemployment, joblessness as people's standard of living in the Nigeria has been falling drastically in the society. The study will therefore be invaluable to concerned stakeholders towards opening fresh ideas on roles of cooperative societies towards income generation thereby reducing poverty. It is against this background that; this study will provide answers to the following research questions:

- a. What are the socio-economic characteristics of the members of cooperatives?
- b. What is the level of income among

members of the cooperative societies?

c. What are the factors that affect the income of the members?

Therefore, this study allows us to draw implications on cooperative inclusiveness. The study will therefore be valuable to concerned stakeholders towards opening fresh ideas on roles of cooperative societies towards poverty alleviation. The study will equally provide alternative policy input and institutional framework through new dimensions, dynamics and trends thereby sparking more interest for further research.

Research Methodology

Study Area

The study area is Ijebu division in Ogun State South-western Nigeria. The state borders Lagos State to the South, Oyo and Osun states to the North, Ondo State to the east and the Republic of Benin to the west. Abeokuta is the capital and largest city in the state. The research was carried out in Ijebu division of Ogun State in Western region of Nigeria. It is located in the tropical zone, approximately lying on latitude 20 6 / and 30 6 / East of the Greenwich meridian. Ogun State has a mean annual rainfall of about 1200mm and a mean monthly temperature of 100 c to 240 c during raining season which is appropriate for a successful plantation. Other major cities and towns in Ogun State are Ijebu-Ode, Sagamu, Ijebu Igbo, Ilaro, Ayetoro and Ota.

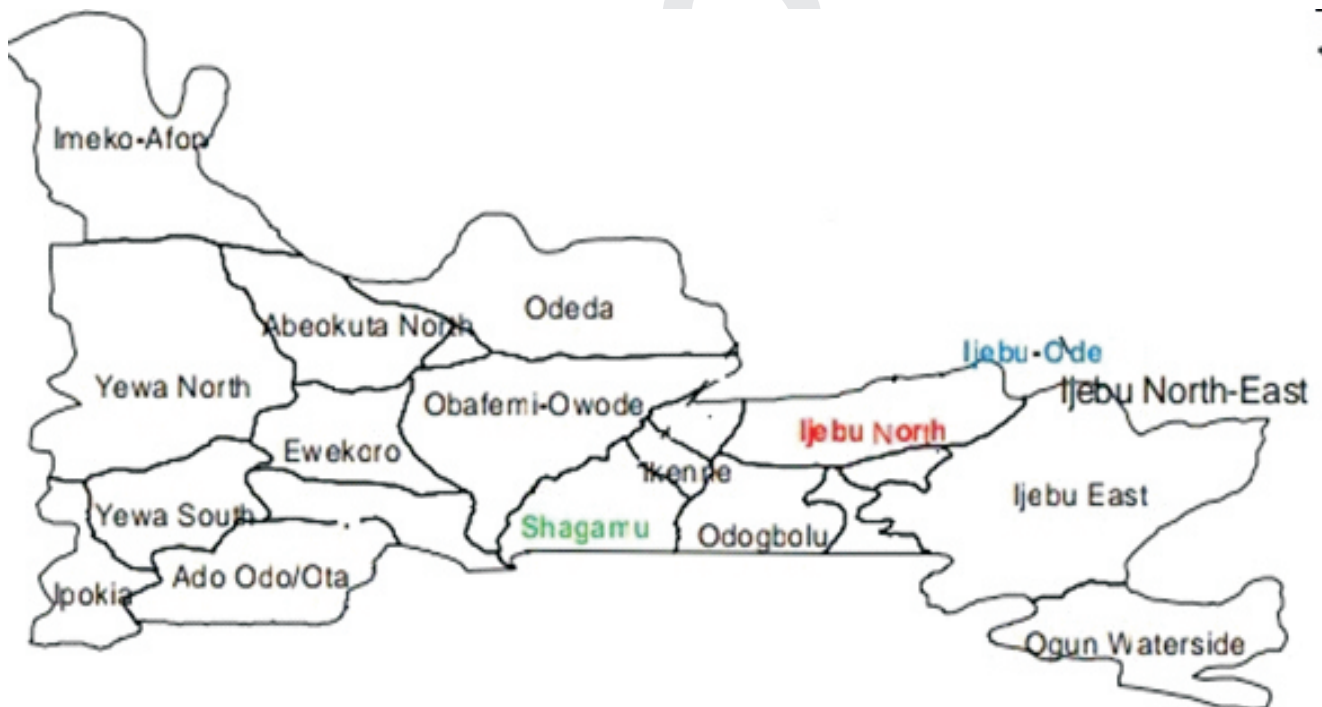


Figure 1: Map of Ogun State showing the study area

Sampling techniques

Multistage random sampling technique was used in selecting the sample size. In the first stage, two (2) Local Government Areas (Ijebu North and Ijebu Waterside) were randomly selected in the Division. The second stage involved random selection of eight (8) villages from each Local Government Area, while in the third stage, eight (8) rural household heads were randomly selected from each selected villages making a total of one hundred and twenty-six (126) respondents.

Method of data analysis

Data were analysed using descriptive statistical tools and regression analysis. Descriptive statistical

tools were used in describing the socio-economic characteristics of the members of cooperatives, sources and level of income among cooperative members. The statistical tools included frequency distribution tables and percentages, charts, measures of central tendency and proportions. Linear regression model was employed to determine the effect of socio-economic characteristics of members and some cooperative organization related variables on income. The functional specification of the model is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \varepsilon_i$$

Where:

Y = Household income (N)

X₁ = Formal education (number of years spent in school)

X₂ = Age (in absolute number)

X₃ = Marital Status (Married = 1; 0 otherwise)

X₄ = Members' business experience (number of years in business)

X₅ = Family size (number)

X₆ = Cooperative experience (duration of membership)

X₇ = Sex (Male = 1, Female = 0)

X₈ = Sources of income (number)

X₉ = Credit (N)

X₁₀ = Amount of cooperative loan used in enterprise formation (N)

RESULTS AND DISCUSSION

Socio-economic characteristics of the members of cooperatives

The socio-economic characteristics of the respondents discussed included age, sex, marital status, level of education, household size, religion and cooperative experience. A summary of the socio-economic characteristics of the members is shown on Table 1. It is necessary to describe the age of the respondents for possible generalization and inference on how it relates to their income level.

Table 1: Socio economic Characteristics of Cooperative Members

Socio economic characteristics	Frequency	Percentage
Age of Respondents (Years)		
30	21	16.7
31 - 40	52	41.3
41 - 50	42	33.3
51 - 60	10	7.9
> 60	1	0.8
Mean	40 years	
Sex		
Male	65	51.6
Female	61	48.4
Marital status		
Single	34	27.0
Married	79	62.7
Divorced	5	4.0
Widow	4	3.2
Separated	4	3.2

Educational level		
Non formal education	18	14.3
Primary education	20	15.9
Secondary education	61	48.4
Tertiary education	27	21.4
Mean	9years	
Household Size		
1 – 4	47	37.3
5 – 8	65	51.6
> 8	14	11.1
Mean	5members	
Cooperative experience		
1 - 5 years	37	29.4
6 - 10 years	70	55.6
11 - 20 years	13	10.3
21 - 30 years	6	4.8
Mean	8years	

Source: Field Survey, 2021

The table shows that the average age of the respondents was 40 years. It is interesting to note that the greatest number of members in the study fell within that active working age while the least number were the aged above active working age. This is in line with Nwibo and Nwakpu (2017) who observed that the mean age of the cooperators was 46 years. This indicates that age is an important predictor in joining co-operative organizations. The active working age saw the benefits of the co-operative organization and hence wish to make good use of it for specific purposes unlike the older people. This result showed that 51.6% of the respondents are male while females are 48.4%. This is consistency with Akerele *et al.* (2014) that male is said to be more responsible to the welfare of the family than their female counterpart. The result showed that majority (62.7%) of the respondents are married. This result is in line with Mmari and Thinyane (2019) who indicated that majority (72%) of the cooperators were married couples with family responsibilities and this might be one of the reasons which prompted them to join the cooperative societies in order to access credit which can be invested in projects for the purpose of generating incomes for their families. The

mean years of formal education is 9years. This is understandable considering the fact that most of the people found in rural areas are those without tertiary education. Educational attainment of cooperator does not only raise his performance but also increase his ability to understand and evaluate the information on new techniques and processes being disseminated through extension. The mean household size was 5 persons per house and over half (51.6%) of the respondents fall between 5 and 8 persons per house. This can be considered a moderate household size for a rural household. Besides, the moderate size of the households might not be unconnected to their high literacy level. This is against Nwibo and Nwakpu (2017) research work as they revealed an average of 9 persons per household which was viewed to be relatively a large household size. However, majority (55.6%) of the respondent had been in cooperative between 6 and 10 years with an average of 8 years. This is considered adequate in driving the economic activities of members. This is inconsistency with Akerele and Adekunmbi (2018) who revealed an average of 7 years of cooperative membership which could be good in cooperative activities and management.

Income distribution of the respondents

Figure 2 below demonstrated the average annual income of the respondents in naira. 19.8% earned less than 300,000 naira while 39.7% earned between N 300,100.00 - N 600,000.00; 27.8% earned 600,100-900,000 and 12.7% earned above 900,000 naira, with an average of N573,134.08k per household. Many of this people earn less and hence needs some financial assistance from the co-operative organization in this location to push up their daily businesses. Cooperatives are mainly foundation for the benefits of the poorer people to help boost their self-reliance or employment attitude.

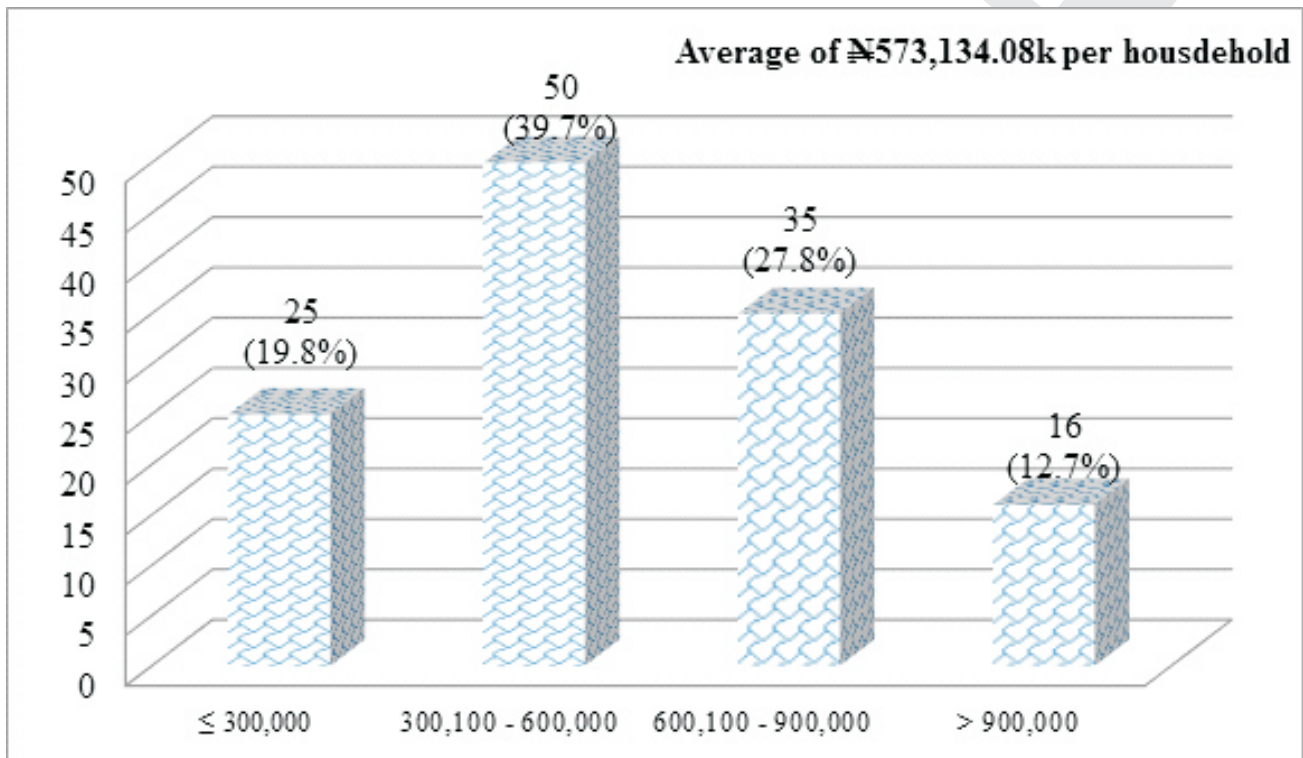


Figure 2: Distribution of respondents according to annual Income

Effect of cooperative participation on income of members: A total of nine (9) predictors were included in the model and the regression output is shown in Table 2. The result indicated that three out of the nine variables, namely years of formal education, number of sources of income and amount of cooperative loan used in enterprise formation had significant impact on households' income. The adjusted coefficient of determination (R^2) value is 0.516 indicating that about 51.6% the variations in income was explained by the independent variables. The F-statistics show that the model passed the test of overall significance at the 5% level. This implies that all the explanatory variables taken together had a significant impact on the household income. The coefficients of years of formal education, number of sources of income and amount of cooperative loan used in enterprise formation were positive and significant at the 5% and 1% significant levels respectively. A possible explanation for the positive and significant nature of the education variable may be that education is significant in the life of an individual; it helps to shape attitudes, values and behaviour, promoting inquisitiveness and innovations in the process. It grooms the mind and makes it receptive to technological innovation and managerial skills.

Number of sources of income had a positive impact on household income and was significant at 5% level. This indicates increased in sources of income as a result increased household income. The coefficient of amount of cooperative loan used in enterprise formation was positive and significant implying that household income increases with amount of credit used in enterprise formation. Credit facilities make available investment funds for business thereby increasing their income.

Table 2: Effect of Cooperative Participation on Income of Members.

Variables	Coefficient	t-ratio
Constant		32.887
Year of formal education	0.054***	4.714
Age	0.037	0.310
Marital status	0.172	1.556
Business experience	-0.077	-0.512
House hold size	-0.076	-0.788
Cooperative member	-0.227	-1.514
Sex	-0.104	-1.098
Number of sources of income	0.211**	2.241
Amount of Credit from cooperative	-0.168	-1.525
Cooperative loan used in enterprise formation	0.288**	2.452
R ² value	0.516	
Adjusted R ² value	0.509	
F statistics	5.184**	

*** significant at 1% level and ** significant at 5% level

Source: Field Survey, 2021

Conclusion and Recommendations

The study assesses the contribution of participation in cooperative on household income in Ijebu Division of Ogun State, Nigeria. Most of the households sampled in the study area are male-headed and the heads are mostly married. Also, majority of the respondents are within the working age. The distribution of the household size shows that there is still high population density in the rural area. Years of formal education, number of sources of income and amount of credit used in enterprise formation had significant impact on households' income. It was concluded that cooperative contributed to the income of its members in the study area because the amount of credit obtained from cooperative and put into the formation of their new and existing business influences their income positively.

The study therefore recommended that:

1. The coefficient of years of formal education was positively related to household income. Therefore, Government should invest more in adult education and training in rural areas to equip them with the knowledge and skill to secure good livelihoods and alleviate poverty.
2. Cooperative Societies should sensitize members on the importance of membership participation and cohesion in cooperative societies. This will go a long way to establish good relationship among members.

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LOAN REPAYMENT AND DEFAULT AMONG MULTIPURPOSE COOPERATIVE UNION MEMBERS IN ABEOKUTA METROPOLIS

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Abstract

The study analyses loan repayment and the extent of default among Multipurpose Cooperative Union Members in Abeokuta Metropolis. Multistage sampling techniques were used to obtain data in a cross-sectional survey of 180 cooperative societies. Data was analyzed using descriptive statistics, loan repayment index, borrower's repayment ratio, loan default index, and Tobit regression analysis. The result revealed that a cooperative society in the study area has been in existence for the average of 16 years and 40 members. An average amount of N2,467,360.22 was requested as loan by members within the period of 5 years, about 45.97% of the loan granted to the borrowers during the period was not repaid when due. The results revealed that loan repayment index, borrower's repayment rate, loan default index had an average of 54.03%, 45.97%, 54.18%, and 45.19% within the period of 5 years. Furthermore, the average total of dividend, shares, savings; savings, investment, membership across sampled society are N 1,145,178.01, N 897,713.00, N 796,143.09, and 40 within the period of 5 years. The Tobit regression revealed that variables such as cooperative society size, loan from other sources, loan for each cooperative society, total amount of loan volume issued, no of trainings attended, no of years of cooperative existence, total cooperative holdings significantly affect the performance of cooperative societies. Therefore, it is recommended that there should be effective and regular monitoring of the loan from the time of disbursement till the final repayment for this will help to prevent diversion and misapplication of funds.

Keywords: Loan Repayment Index, Loan Default Index, Cooperative, Loan performance Indices

INTRODUCTION

Loan portfolio is typically the largest asset and the most predominant source of income for any cooperative union (Aballey, 2009). In spite of the huge income generated from their loan portfolio, available literature shows that huge portions of financial institution loans usually ends in default and therefore affect the financial performance of cooperative institutions (Aballey, 2009). Loan default is the inability of Cooperatives to occupy a place of eminence in the economic activity of the state and have been acting as a catalyst for the socio-economic development. Since Independence, the cooperative sector has made remarkable progress, which has also resulted in certain weaknesses. (Ofuoku and Urang, 2009). The need for credit facilities is necessitated by the limitations of self-financing, uncertainty

pertaining to the levels of output, and the time lag between inputs and output (Kohansal and Mansoori, 2009). Borrowed cooperative fund which is also described as cooperative credit is one of the pre requisites for multipurpose cooperators to increase their output in the process of development of a country (Oladebo and Oladebo 2008).

The societies are subjected to many problems such as dual control, limited area of operation, lack of marketing view, limited resources, lack of proper support from government, lack of computerization and default in repayment of loan. Default in repayment of loan is a major problem, which affects the entire financial performance of the societies. In the competitive environment, the survival and future of the societies depend upon their financial performances.

Default has started creeping deeply into the operations of multipurpose cooperative society institutions in Abeokuta metropolis hence the study into the causes and control of loan delinquency/default in the cooperative institutions. Most of the defaults arose from poor management procedures, loan diversion and unwillingness to repay loans. According to (Saleem and Janm 2014) various researchers have put forward the benefits, problems, access and role of credit for increased economic life. But prompt repayment of credit is necessary for good credit worthiness. Another problem affecting members' savings performance in cooperative is the issue of inadequate managerial competitiveness. Many members who engage in saving in a cooperative tend to have lower to moderate levels in income. The study attempted to address the following questions:

1. What is the basic information of interviewed cooperative societies in the area?
2. What are the loan repayment/default patterns of the cooperative societies within the multipurpose unions?
3. What is the trend of loan acquisition and repayment of the cooperative societies over the years?
4. How can cooperative society's performance be measured over the years?
5. What are the effects of loan repayment on the performance of the cooperative society in the study area?

Thus, this helps to clearly understand the factors affecting loan delinquency/default in multipurpose cooperative union in the study area. Loan default and loan recovery problem if not minimized can weaken the foundation upon which cooperative societies is built. Inability to recover loan leads to bankruptcy, insolvency, financial distress and business failure. It gives an important input in the society in general and the study area in particular strategizing loan allocation and repayment process at cooperative level to fuel sustainable socio-economic growth.

The cooperative unions will be able to come up with appropriate policies on loan repayment, and through this bad debt will be reduced in cooperative societies. Also the economic strength of the cooperative will not be weakening thus enabling cooperative to continue to improve the standard of living of its members.

Research Methodology

Study area

The study was conducted in Abeokuta Metropolis of Ogun State, Nigeria. Founded 1825, it lies between the coordinates 7°9'39"N 3°20'54"E/ 7.16083°N 3.34833°E. The Abeokuta metropolis is situated on the east bank of the Ogun River near a group of rocky outcrops in a wooded savanna, 77 km (48mi) north of Lagos by railway, or 130 km (81mi) by water, roads connects it to Lagos as well as Ibadan, Ilaro, Shagamu, Iseyin, and Ketou. As at 2006, its population was about 26,000 (national census).

Sampling technique

Multi-stage technique was used to select the respondents for the study. The first stage involves purposeful selection of three (3) Local government areas in Abeokuta Metropolis (Odeda, Abeokuta North, Abeokuta South). The second stage however involves selecting four (4) major multipurpose unions randomly from each local government zones. Finally, sampling random selection of hundred (10) multipurpose union members (cooperative societies) from selected towns making a total of 120 respondents to be sampled in the study area.

Method of data analysis.

Data collected were analyzed using descriptive statistical tools such as frequency and percentage. Descriptive statistics such as a frequency distribution table, percentages and measure of central tendency was used to achieve Loan repayment pattern/default of the cooperative society within the multipurpose union and Trend of loan acquisition and repayment of the

cooperative societies over the years.

Cooperative societies performance over the years in the study area: This involved evaluation of two indices. These include loan repayment index and borrower repayment rate.

Loan Repayment Index

This is evaluated as follows:

$$LRI = [BVR_f / VB + w_2 (BVR_p / VB)] * 100$$

Where:

LRI is loan repayment index, which shows the level of repayment made by a beneficiary;

$$w_2 = NRC_p / TNLO_p;$$

BVR_f = value of loan collected by those who made full repayment;

VB = total value of loans outstanding in a particular period;

BVR_p = value of loans collected by those who made partial repayment;

NRC_p = number of borrowers who made partial repayment;

TNLO_p = total number of borrowers who have outstanding loan to repay.

Loan default index is thus measure as follows:

$$LDI = 100 - LRI$$

Borrower Repayment Rate

This is given as:

$$BRR = [BNF_f / NB + w_1 (BNR_p / NB)] * 100$$

Where:

BRR is the borrowers' repayment rate, which is defined as the rate at which the borrowers repay or fulfill their loan obligation;

$$w_1 = VRC_p / TVLO_p$$

BNF_f = number of borrowers who made full repayment;

NB = total numbers of beneficiaries in a particular period;

BNR_p = numbers of borrowers who made partial repayment;

VRC_p = value of repayment collected from those who made partial repayment;

TVLO_p = total value of loans outstanding for those who made partial repayment.

Borrowers' default index is then measured as follows:

$$BDR = 100 - BRR$$

Where:

BDR is borrowers' default ratio.

Evaluate the effect of loan repayment on the performance of the cooperative societies.

Tobit regression was used to this objective following Tobin (1958) and Nokoya *et. al.*

(1997), the expected intensity of loan default E (IA) is given as

$$E(IA) = X \beta F(Z) + \sigma f(Z)$$

Where

$F(Z)$ = cumulative normal distribution of Z

$f(Z)$ = value of the derivatives of normal curves at a given point

Z = Z score for the area under normal curve

β = Tobit maximum likelihood estimates

σ = standard error of the error term

X = Vector of explanatory variables

X_1 = Cooperative size

X_2 = LRI for each cooperative society

X_3 = loan from other sources (yes= 1;0 otherwise)

X_4 = total amount of loan issued out in a cooperative year

X_5 = purpose of the society (Dummy if CTCS= 1; 0 = otherwise)

X_6 = time lag of loan to the beneficiaries

X_7 = No. of years of cooperative existences

X_8 = Total cooperative holdings (Shares + savings) (₦)

The marginal effect of each explanatory variable on the profitability of default is evaluating as:

$$E(IA) / X_i = F(Z)$$

Table 1: Distribution of respondents by their socio-economic characteristics

Variable	Frequency	Percentage	Mean	SD
<u>Sex</u>				
Female	68	56.7		
Male	52	43.3		
Total	120	100		
<u>Age</u>				
Below or equal to 30	19	15.8		
31 - 40 years	42	35.0	39.3	13.8
41 - 50 years	38	31.7		
Above 50 years	21	17.5		
Total	120	100		
<u>Marital status</u>				
Single	42	35.0		
Married	78	65.0		
Total	120	100		

Results and Discussion

Socioeconomic Characteristics of the cooperative manager

The observed socio-economic characteristics of cooperative managers are presented in Table 1. The sex characteristics of the cooperative managers show that proportion of females (56.7%) is much more than that of males (43.3%). The age structure of the cooperative managers in the sample shows that majority of them are in the age range of 31-40 years (35%) and 41-50 years (31.7%). The distribution of the sampled cooperative managers according to their marital status reveals that majority (65%) of the respondent are married, while in terms of their main occupation the analysis shows that most (44.2%) of them are civil servant. Also majority of the cooperative managers, attained tertiary education (79.2%) and the remaining are secondary education with 20.8%. The table revealed that 52.5% of the sampled cooperative managers are Christian, 44.2% are Muslim, while 3.3% are traditional.

<u>Main occupation</u>				
Farming	12	10.0		
Civil servant	53	44.2		
Artisan	24	20.0		
Trading	31	25.8		
Total	120	100		
<u>Educational attainment</u>				
Secondary education	25	20.8		
Tertiary institution	95	79.2	14.5	10.1
Total	120	100		
<u>Religion</u>				
Christianity	63	52.5		
Islam	53	44.2		
Traditional	4	3.3		
Total	120	100.0		

Source: Field Survey, 2016

Table 2 below shows that majority (45.8%) of the sampled cooperative society were of the thrift and credit societies. This agrees with the finding of Idrisa *et. al.* (2007), that majority of cooperatives is into thrift and credit. Cooperative multipurpose society also had 41.7%. The table also revealed that 35.8% of the cooperative societies sampled have existed between 11 – 15 years. while the remaining 38.3% and 25.8% have existed between 1 to 10 years and Above 16 years respectively, with majority (62.5%) having 21 – 40 members.

Table 2: Distribution of the Cooperative by their socio-economic characteristics

<u>Variables</u>	<u>Frequency</u>	<u>Percentage</u>	<u>Mean</u>	<u>SD</u>
<u>Type of cooperative society</u>				
Thrift and credit	55	45.8		
Cooperative multipurpose	50	41.7		
Farming cooperatives	1	.8		
All of the above	14	11.7		
Total	120	100.0		
<u>Years of cooperative existence</u>				
1 - 5 years	21	17.5		
6 - 10 years	25	20.8		
11 - 15 years	43	35.8	11.7	5.6
16 - 20 years	24	20.0		
21 - 30 years	7	5.8		
Total	120	100.0		
<u>Total members</u>				
1 - 20 members	28	23.3		
21 - 40 members	75	62.5	36	24.6
41 - 60 members	17	14.2		
Total	120	100.0		

Source: Field Survey, 2016

Know the loan repayment pattern/default of the cooperative society within the multipurpose union
 Figure 1 below summarizes the calculated mean (X) and standard deviation (SD) of the attitudinal questions in the questionnaire which deals with extent to which cooperatives default repaying borrowed fund. The figure shows a calculated mean (X) of 4.34 and standard deviation (SD) of 0.56 for the question that says member cooperatives refund at stipulated time. The Mean of 4.34 > the cutoff point of 3.0, therefore the statement is highly accepted. The highly accepted mean 4.41 and standard deviation 0.49 were equally recorded for the question that says member cooperatives only repay so as to obtain another loan. Interest on loan given to the member cooperatives are favorable, a highly accepted mean of 4.43 and standard deviation 0.63 were recorded; While high collateral and no improvement in which the loan is used for recorded mean of 2.07 & 2.09 and standard deviation of 0.72 & 0.77 respectively indicating non- acceptance of the statement.

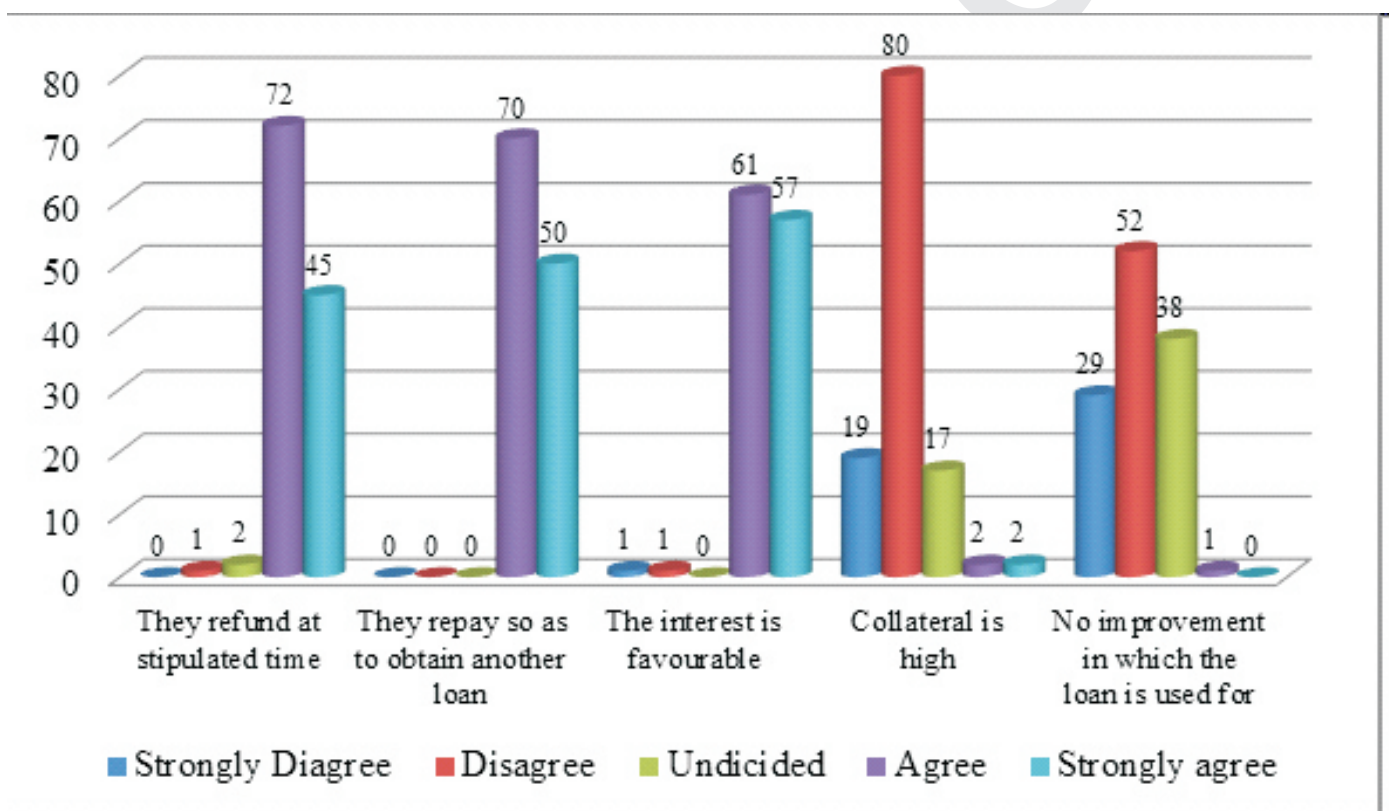


Figure 1: Extent to which cooperatives default repaying borrowed fund
 Source: Field Survey, 2016

Trend of loan acquisition and repayment of the cooperative societies over the years;

Table 4 present the loan acquisition and repayment of cooperative societies over the years. The table revealed the trend between 2011 to 2015 loan acquired and repaid by cooperative members in the study area. As revealed in the table amount obtained for 2011 is N2,467,360.22 and amount repaid was N1,569,647.22. In 2012, the amount obtained was N2,142,765.45 and amount repaid was N1,381,465.33. In 2013, the amount obtained was N3,475,680.99 and amount repaid was N2,796,447.25. Amount obtained for 2014 is N2,568,324.24 and amount repaid was N2,048,976.13, and amount obtained for 2015 is N4,764,654.61 and amount repaid was N3,390,735.97

Table 4: Trend of loan acquisition and repayment of the cooperative society over the year

Year		Mean (₦)	SD (₦)
2011	Amount requested	2,800,369.17	2,729,906.84
	Amount obtained	2,467,360.22	2,359,821.29
	Interest rate (%)	1.5	
	Amount repaid	1,569,647.22	1,145,178.01
	Amount outstanding	897,713.00	796,143.09
2012	Amount requested	2,508,050.00	2,279,496.65
	Amount obtained	2,142,765.45	1,988,203.04
	Interest rate (%)	1.5	
	Amount repaid	1,381,465.33	1,004,781.12
	Amount outstanding	761,300.12	261,318.10
2013	Amount requested	3,911,082.50	3,529,159.49
	Amount obtained	3,475,680.99	2,438,307.17
	Interest rate (%)	1.5	
	Amount repaid	2,796,447.25	2,175,124.78
	Amount outstanding	679,233.74	270,307.45
2014	Amount requested	3,083,599.17	2,440,782.29
	Amount obtained	2,568,324.24	2,439,679.69
	Interest rate (%)	1.5	
	Amount repaid	2,048,976.13	1,451,736.55
	Amount outstanding	534,268.11	324,278.65
2015	Amount requested	4,847,180.83	3,828,128.39
	Amount obtained	4,764,654.61	3,538,733.25
	Interest rate (%)	1.5	
	Amount repaid	3,390,735.97	2,887,154.20
	Amount outstanding	1,373,918.64	773,145.06

Source: Field Survey, 2016

Cooperative societies performance over the years in the study area

Table 5 presents summary of loan statistics between 2011 and 2015. According to the Table, in study area, at least 74.5% of the applications were approved and granted loans. Of those who received the loans, barely 38.09% of them made full repayment while about 36% and 25% made partial and no repayment respectively. On the amount, about 46% of the total loan disbursed was fully repaid. On the contrary, about 26%, of the loan were partially repaid. But about 27% of the loan was held by beneficiaries who did not made any form of repayment in the three zones respectively.

Loan Default and Performance measures

The various measures of default and performance computed and shown on the table indicate high rates of loan default among the benefiting cooperators in the study area within the last five years. Specifically, about 45.97% of the loan granted to the borrowers during the period under review was not repaid when due. This substantial amount is however held by about 45.19% of the loan beneficiaries. This result of high rate of loan default is similar to the findings of Edet (2008). With such high level of default, the cooperative Board outreach and sustainability capacity is questionable thus putting a caveat on the relevance of the Board as cooperative society .

Table 5: Loan Statistics of cooperative societies in the study area (2011-2015), Loan Default and Performance

Years	No of loan application	No of beneficiaries	Amount granted as loan	No of beneficiaries who repaid fully	Amount fully repaid	No of beneficiaries who repaid partially	Amount partially repaid	No of beneficiaries who made no repaid	Amount not repaid	LRI (%)	LDI (%)	BRR (%)	BDR (%)
2011	46	34	2,467,360.2	12	647,524.21	13	922,123.01	11	897,713.00	53.9	46.0	52.7	47.2
2012	56	44	2,142,765.5	10	523,244.22	16	858,221.11	18	761,300.12	45.3	54.6	49.3	50.7
2013	68	50	3,475,680.9	23	1,733,234.12	18	1,063,213.13	9	679,233.74	76.4	23.5	72.9	27.1
2014	49	31	2,568,324.2	14	1,093,543.10	11	955,433.03	6	534,268.11	84.0	15.9	79.5	20.5
2015	63	51	4,764,654.6	21	3,192,088.41	18	198,647.56	10	1,373,918.64	10.3	89.7	19.6	80.4
Average	56.4	42	3,083,757.1	16	1,437,926.81	15.2	799,527.57	10.8	849,286.72	54.0	45.9	54.8	45.2

Source: Field Survey, 2016

Evaluate the effect of loan repayment on the performance of the cooperative society.

The result of the determinants of **loan repayment on the performance of the cooperative society** is presented in Table 6. From the maximum likelihood estimates of the Tobit regression, the sigma is 40.391 and is significant at 1% confidence level. This implies that the model has a good fit to the data, thus all the explanatory variables are jointly significant. Exception of purpose of the society, time lag of loan to the beneficiaries and Number of years of cooperative existences, other variables included in the model are statistically significant. The non-significant of time lag of loan to the beneficiaries' coefficient may not be unconnected to the general lack of commitment common among cooperative members.

The size of cooperative was positively related to the performance of the cooperative societies. This showed that the more the cooperative member, the more the gross income and the reverse is also true. This may be due to the fact that dues are paid (such as entry and other kind of registration) this eventually increases the turn-over of the cooperative societies. The Loan Repayment Index (LRI) for each cooperative society was positively related to their performance. This showed that as the Loan Repayment Index (LRI) of the cooperative increases so is their performance

The negative relationship that exists between the loan from other sources and the gross income showed that as the more the cooperative society source loan from other sources the gross income decreases. This may be due to the fact that a major part of the profit was used to meet both the loan repayment and the high interest rate.

Table 6: Tobit analysis of the effect of loan repayment on the performance of the cooperative society

Variables	Coefficient	Standard error	b/St.Er.
Constant	42.391***	73.637	5.489
Cooperative size	2.241*	9.600	1.908
LRI for each cooperative society	6.568**	9.852	2.444
Loan from other sources (yes= 1; 0 otherwise)	-3.510**	7.811	-2.276
Total amount of loan issued out in a cooperative year	-9.062*	4.656	-1.856
Purpose of the society	9.781	6.212	1.533
Time lag of loan to the beneficiaries	-10.924	9.242	-1.321
No. of years of cooperative existences	1.014	5.145	1.015
Total cooperative holdings (Shares + savings) (₦)	3.497**	11.863	2.292
Sigma	40.391***	43.173	5.477
Log likelihood function	34.1361		
R- squared	0.644		
Adjusted R- squared	0.588		
F- value	11.19***		

*** Significant at 1%,

** Significant at 5%

* Significant at 10%

Source: Field Survey, 2016

The total cooperative holdings positively related to the performance of the cooperative. That is, the more the cooperative holdings (Shares + Savings), the better the performance of the cooperative society. The time lag of loan to the beneficiaries is not significant. This may be due to the fact that the cooperative unions sampled do not delay in disbursement of loan to member cooperatives. The negative relationship that exists between the gross income and the duration of loan to the beneficiaries shows that the duration for some loan is longer than expected. With appropriate visit and monitoring to member cooperative on what the loan is used for, this will bring about early repayment rather than given them longer period.

Conclusion

From the findings, it is clear that there are differences in socio-economic characteristics thus in type, years of existence and number of

cooperative members of cooperative societies served by a particular participating member in the cooperative. In the light of the major role that cooperative unions assisting small cooperative societies in accessibility of credit facilities in the country, it is crucial for them to put in place strong measures to help in micro financial institutions under the weight of the huge loans default in their books.

Based on the findings, the following recommendations can be drawn.

- o There should be effective and regular monitoring of the loan from the time of disbursement till the final repayment. This will help to prevent diversion and misapplication of funds which are identified. This activity also affords the loan officers the opportunity to inspect the books of accounting of the cooperatives and help the cooperatives to keep proper records of their transactions.
- o It is also recommended that management

should make a conscious effort to resource the loan officers sufficiently at all times in terms of vehicle and other logistics to support the monitoring activities. Effective monitoring of the loan facility and periodic review of the society's accounts will help the institution to pick early signals and take remedial measures to prevent further deterioration of the credit facility.

- It is recommended that periodically relevant training programs are organized for loan officers particularly in the area of risk management, management of loan default and financial analysis. This helps improve the knowledge and analytical skills of the credit officers so as to improve their credit appraisal techniques. The training program will assist the loan officers to appreciate the importance of prompt credit delivery in loan default prevention.

- The length of repayment period should be decreased and adequate monitoring should be provided to avoid diversification of loan and help the cooperative societies not lose value of their money advanced and at the same time reduces the probability to default because of long repayment period.

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**INFLUENCE OF DEMOCRACY ON MEMBERS' PARTICIPATION IN
AGRICULTURAL COOPERATIVES IN OHAJI-EGBEMA L.G.A IMO STATE,
NIGERIA.**

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ABSTRACT

The study examined the influence of democracy on members' participation in Agricultural Cooperatives in Ohaji-Egbema Local Government Area, Imo State, Nigeria. It aimed to ascertain the extent to which voting process affects members meeting attendance in the Agricultural Cooperatives as well as assess the outcome of members' representation on participation in governance in the cooperatives. Descriptive survey design was adopted and population was 490, comprising of nine (9) Agricultural Cooperatives in Ohaji-Egbema. Thereafter, 14 members each from the 9 selected cooperatives were purposively selected, thus, the sample size is 126. Percentage and mean rating were used in the analysis. Findings revealed that voting process enhances members' meeting attendances in Agricultural Cooperatives. Equally, members' representation in the management committee enhances participation in governance, except that participatory governance of members in the committee does not ensure control among units. The study recommended that cooperative governance needs to be run on a representative basis to help solve the problem of members' apathy and disputes, hence, members' interest and commitments in the societies will be stimulated. Decision-making process opportunities need to be made open to all members to contribute their quota, to maintain equity and equality in meetings of Cooperatives, increase meeting attendances and enhance active participation.

Keywords: Democracy, Participation, Voting, Representation and Agricultural Cooperative

Introduction

Democracy is one of the most cherished concepts in cooperative organization and has gained itself a household name across the length and breadth of all functional cooperative societies across the world today. The successful application and strict compliance of democracy's norms,

principles, and ethics, as well as its ideals, is a means of elevating societies. The concept has gained prominence largely because it is believed to be a sine-qua-non for the growth, development, and sustainability of any society and organization in Nigeria as opposed to a military autocracy (Erunke, 2008).

Joseph (2011) posits that democracy is a concept that is akin to people's interests, aspirations, and collective desires. To justify the above statement, International Cooperative Alliance [ICA] (1995) defines a Cooperative Society as an association of persons united voluntarily to meet their economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Food Agricultural Organization [FAO] (2015) defines cooperatives as participative self-help organizations in that the members are also co-owners and have both the rights and obligations of participating in goal-setting, decision making, and control or evaluation processes of their cooperatives.

The goals and objectives of an organization can be achieved if there is a contribution from its members, this way, a democratic principle was initiated by the Rochdale Society of Equitable Pioneers of 1844 in Britain to see that members interests are represented in decision making, every member having an equal voting right and improving upon members' loyalty and participation in cooperative business (Onuoha, 2002). The second ICA principle is democratic member control, and ICA (1995) posits that cooperatives are democratic organizations controlled by their members who actively engage in defining policies and making decisions. Taiwo & Okafor (2011) posit that the principle of democracy has been a core element of cooperative business since the inception of the cooperative business model, whereby members are given equal opportunities to participate in all the dealings of the cooperative such as participation in decision making, attendance to cooperative meetings, participation in governance, forming part of committee as well as carrying out any other responsibilities given to cooperative members.

Rieger (2016) posits that within the universe of democratically controlled organizations, the most

common type of organization is the cooperative business and there are multiple shreds of evidence in agricultural cooperatives. Agricultural cooperative Societies are beneficiaries of the dividends of democratic governance. Anyanwu & Anyanwu (2007), view agricultural cooperatives as specialized cooperatives that were formed to address the issues that small-scale farmers in Nigeria's rural areas face. Agricultural cooperative governance is created by a democratic system of representation.

Literature, specifically in addressing members' participation as a function of democracy, is inadequate. Available information does not specifically address how voting and member representation have an impact on members' participation in decision-making in agricultural cooperatives. Despite the position of members of agricultural cooperatives about their democratic characteristics, the reflection of the evidence of democracy and its influence on members' active participation, has not yet been broadly investigated and there is little empirical evidence to support the concepts in cooperative organizations, hence, this study.

Statement of the Problem

Cooperatives are democratic organizations where members ultimately control their cooperative so actively in a democratic manner, through having the right to vote on key strategic policy decisions and participate in electing the representatives who control the day-to-day business activities (ICA, 2015).

Several factors undermine democratic practices in cooperatives. The manner in which members participate in meeting attendances and governance, in the agricultural cooperative is minimal. Even when a higher percentage of importance is attached to general meetings as an organ of decision making, yet participation is very low. Members may incline to seek free-riding behavior, avoid meetings, as well as engage in low governance participation in cooperatives if

they perceive poor democratic benefits. Based on this account, one may expect member control to be weak in agricultural cooperatives.

Members' participation and activeness can be boosted through undiluted democratic practices in agricultural cooperatives. However, the extent to which democracy help boost members' activeness in participation is still not fully determined, and empirical studies into the day-to-day practice of democracy, democratic sustainability, and members' participation in agricultural cooperatives are limited and the gap created as a result of paucity of near related works is filled by this study.

Objective of the Study

- I. examine the extent to which voting process affects members meeting attendance in agricultural cooperatives in Ohaji-Egbema LGA
- ii. assess the outcome of members representation on participation in governance in the agricultural cooperatives in Ohaji-Egbema LGA

Review of Related Literature

Democracy and Members' Participation

The concepts democracy and democratic process are sometimes used interchangeably. The democratic process refers to the sequence in which democratic rules are interpreted and implemented. It's also the way people set up agencies and rules to govern themselves. The democratic process can be even the process whereby people's interests and willingness to be governed are reflected in the way collective decision-making is made (Githinji, 2021).

To the former great American President (the sixteenth president of the USA), Abraham Lincoln, in 1858, democracy portends "government of the people, by the people and for the people". Many scholars, however, have objected to this definition, believing it to be

outdated. As a result, democracy was viewed as a relational process that allows members to participate in decision-making and take action regularly (Kokkinidis, 2015). Boyte (2004) views democracy "as a way of life that requires far greater emphasis on citizen capacities: the habits, skills, confidence, as well as citizens' power and authority." This means that any political systems or societies that arrogate the confidence of citizens in the government due to their non-involvement in the process of policy formulation and implementation negate democratic principles. Negation of democratic ideals hinders the power of citizens and members to participate in decision-making (Gberevbie, 2009).

The difference between democracy and authoritarianism is summed up in the words of Nyong'o (2004), which envisaged that "democracy is about the governed gaining control over their governors; authoritarianism (on the other hand), is about the governors solidifying control over those they govern". Democracy, therefore, can be seen as a system of government that allows the populace to question the government's decisions either directly or through their elected representatives. This clearly shows the basic features of democracy that are universal irrespective of where it operates. These features include Equality of voters and their votes, universal adult suffrage, fundamental human rights, press freedom, and mechanisms that permit the largest part of the population to influence major policies of government through the elected representatives of the people (Gberevbie, 2005).

Participation means taking part or inclusion (Echols, John & Hassan, 2003). The term "participation" refers to a member's involvement or state of participation in an organization's activities. (Mahazril, Hafizah, & Zuraini, 2012). Agarwal (2010) avers that members' participation implies whom to involve, what it is to achieve, and how it is to be brought about. The importance

of membership participation for the cooperative is determined by the characteristics of cooperatives - a cooperative is owned, controlled, and patronized by its members. Members' participation demonstrates the basic ideal of the cooperative, which is the principle of democracy. Cooperatives have a unique character due to members' participation in the governance parts of the organization. Confirming, Zeuli (2004) opines that member participation in the decision-making process of their cooperatives is in line with the user control principle. Participation engenders members' trust and commitment in cooperative societies. To support this statement, Jiménez, Martí, & Ortiz (2010) point that a lack of members' participation in any organization leads to a lack of commitment on the side of the members. Therefore, to enhance trust and commitment, empowerment through education and training should be given to members, to intensify their knowledge-base for greater administrative responsibility and participation in decision making.

International Association of Deposit Insurers [IADI] (2017) adjudges that the Participation of members in decision-making is the essence of Agricultural Cooperatives. Customers (and as such members) participate, at least to some extent, in the decision-making process, and power is most often exercised according to the one-member-one-vote principle. Osterberg & Nilsson (2009) posit that the activities that encompass member participation in a cooperative include: Attending meetings, participating in voting, serving as committees, involvement in recruiting others, and patronage to the shop.

The participation of members in the governance of a cooperative is what differentiates cooperatives from other business organizations, such as Investor-Owned Firms (IOF). Participation would be an important indicator in developing farmers' understanding and appreciation of a cooperative's organization

(Gray, Kraenzle, & USDA, 2014). This means that cooperative participation is a right embedded in members through cooperative values and principles, whereas in Investor Own Firm, participation is based on the financial capacities of members.

Voting Process in Cooperatives and Meeting Attendances

The general meeting, where members have the right to attend, participate, and vote on all subjects, is the supreme authority of a cooperative society. This means that the general meeting determines all fundamental decisions about the cooperative's structures and operations, and any choices made at a general meeting take precedence over those made in any other forum. The decisions made at the general meeting are supposed to bind on all members (Manyara, 2004). Kraenzle & Gray (2014) point that the General Meeting is the most democratic aspect of the cooperative and that when members attend, they have a chance of articulating their needs and imprinting the cooperative with their voices. This way, they increase the possibilities of shaping the cooperative in their interests. They further point out that those members who do not attend have little input in the decision making including the election of leaders of their choice.

Fici (2012) contends that when the concept of "one member, one vote" does not apply, it is unclear what constitutes a "democratic style" of an organization. The 'one member, one vote' principle is implemented in different ways in different countries. For example, in Nigeria, Bulgaria, and Cypriot Cooperatives, the one man, one vote rule is a mandatory principle and no exceptions are allowed. However, Czachorska, Finkelstein, & Samsami (2012) argue that certain countries, such as Sweden, Germany, Finland, and to some extent, Norway, proportional representations are provided, whereby voting is done in the proportion of members' shareholding whereas in other countries, such as the United

States, patronage-based voting applies, whereby voting system or voting power is based on the proportion of business done with the cooperative.

Governance Participation and Members Representation in Cooperative Management Committee

Many scholars have attempted to define governance, however these definitions vary depending on the context and circumstances. Rhodes (2007) defines governance from the viewpoint of public administration, as governing with and through networks. In this study, governance in a cooperative is simply described as decisionmaking procedures and the ability to put decisions into action (Chibanda, Ortmann, & Lyne 2009), and it should represent the interests of the group of people. Ricardo & Mery (2019) posit that governance in cooperative is the precise and clear existence of roles, rights, and obligations of the internal mechanisms of cooperatives that direct and control the governance system, which in the case of Cooperatives are the Members' Assembly, Board of Directors, Supervisory Board and Management Committee. Cooperatives, as member-owned business enterprises, have their governance structures, which makes them different from corporate firms or investor-owned firms.

Governance of member organizations, such as cooperatives, can be very challenging, but it is also very important for the continuity of the cooperative. Cornforth (2004) argues that the governance of cooperatives is a complex and inherently difficult affair. This is because of its structure and nature that allow members to engage in governance and participate in decision-making processes unlike in Investor Own Firm (IOF). Governance can favourably or unfavourably impact on the cooperative's success, by altering members' engagement and commitment (Bhuyan, 2007). The concept of good governance refers to the process of making decisions in the management of cooperatives that

is transparent, accountable, participatory, responsive, effective, and efficient, following the principles of rule of law, inclusiveness, and equitability, which are equally feature of cooperative identity (Bibby, 2014). However, ILO, (2003) envisages that Cooperatives are schools for practicing democracy firsthand through governance participation and control.

Legaspi (2005) considers that participation by both men and women is a key cornerstone of good governance. The foundations of broad participation include freedom of association and speech, as well as the ability to participate productively. Participation could be either direct or through legitimate intermediate representatives both in the general assembly, management committee, and board of directors. So Governance Participation in cooperative is the act of involving employees/members, as well as customers in the operation, management, and governance of their aspiration for economic and social development (Bouker, 2015).

Dovi (2018) portends that representation is the activity of making citizens or members of an organization "represent" in public policy-making processes. At all levels of governance in cooperative organizations, members' representation is paramount. Rwekaza & Anania (2018) attest that the key actors in cooperative decision making are the internal stakeholders who are; the annual general meeting of all members, the management committee, and the employed staff. Each stakeholder in various situations has a right to make a certain decision but should not contradict the existing by-laws, regulations, and majority interests of members. In terms of hierarchy, members are at the top of the structure as the ones who make all the final decisions for the societies, wherein the Board, committees, and management accept, adhere and implement (Rwekaza & Anania, 2018). Cooperatives governance is a mode of governance that takes into accounts the views of the various human

resources that are parts of the business, such as customers, members, or employees (Groeneveld & Llewellyn, 2011). Given their involvement in the governance, members are more motivated to effectively contribute to their business well-being. Osterberg & Nilsson (2009) maintain that member participation in the cooperative decision-making process closely relates to members' commitment to the cooperative. The more the members perceive that they participate in the cooperative governance, and represent in committee management, the more committed to the cooperative engagements they become.

Methodology

A descriptive survey design was adopted for this study, this involved collecting and analyzing data from the respondents in the study area of Ohaji-Egbema L.G.A, Imo, Nigeria. The study derived data from both primary and secondary sources.

All Agricultural Cooperative Societies in Ohaji-Egbema L.G.A qualified as population. There are nine (9) functional Agricultural Cooperatives with a total membership size of 490 persons. Therefore, 14 members each from the 9 selected Agricultural Cooperatives were purposively selected. Thus, the sample is 126 respondents, but only 95 questionnaires were properly filled and returned. The response format adopted was a modified five-point Likert Scale of Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), and Strongly Disagree (SD). They were weighted 5, 4, 3, 2, and 1 respectively. The data collected through the structured questionnaires were analyzed with descriptive statistics such as frequency table, simple percentage, mean (\bar{x}), and five-point Likert scale with a threshold of 3.0 (i.e. = 3.0 is positive while < 3.0 is negative).

Data Analysis

Extent to which Voting Process affects Members' Meeting Attendance

Table 1: Distribution on the extent to which voting process affects members meeting attendance

S/N	Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	\bar{x} \bar{X}	STD	Decision
1.	Meetings are mostly attended because there is equal voting right.	42 (210)	25 (100)	10 (30)	7 (14)	11 (11)	3.8	3.575	Accept
2.	Our Cooperative meeting is run on equality.	19 (95)	39 (156)	23 (69)	10 (20)	4 (4)	3.6	3.254	Accept
3.	We attend meetings to express our opinion and interest through voting.	40 (200)	21 (84)	24 (72)	6 (12)	4 (4)	3.9	3.566	Accept
4.	Our cooperative meetings are important because members have the right to attend.	35 (175)	25 (100)	14 (42)	14 (28)	7 (7)	3.7	3.421	Accept
	Grand Mean						3.8		Accept

Source: Field survey, February 2021.

Table 1 shows that four questionnaire statements were used to address research question one. Responses regarding extent to which voting process affects members' meeting attendance were analyzed. Results from the respondents on the analysis indicated mean scores and standard deviations of 3.8(3.575), 3.6 (3.254), 3.9 (3.566) and, 3.7 (3.421) respectively. All the mean scores were accepted. The accept decision is based on the fact that the mean score is greater than or equal to () 3.0, which is the point scale of measurement for positive. The grand mean of 3.8, which aligns with the decision rule for 'Accept' implies that voting process enhances members' meeting attendances in Agricultural Cooperatives

Members Representation on Participation in Governance

Table 2: Distribution on members' representation on participation in governance

S/N	Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	-- X	STD	Decision
5.	Participation in management committee enthrones common voice in decisions.	25 (125)	32 (128)	20 (60)	10 (20)	8 (8)	3.6	3.283	Accept
6.	Members' involvement in committee meetings brings business transparency.	33 (165)	15 (4)	10 (30)	30 (60)	7 (7)	3.4	3.179	Accept
7.	Participatory governance of members in the committee ensures control among units.	9 (45)	4 (16)	20 (60)	30 (60)	32 (32)	2.2	2.072	Reject
8.	Participation in representative governance reflects members' interests and commitments.	31 (155)	20 (8)	34 (102)	5 (10)	5 (5)	3.7	3.362	Accept
	Grand Mean						3.2		Accept

Source: Field survey, February 2021.

Table 2 displays responses regarding the outcome of members' representation on participation in governance. Results from the respondents on the four questionnaire statements indicated mean scores and standard deviations of 3.6 (3.283), 3.4 (3.179), 2.2 (2.072), and 3.7 (3.362) respectively. The mean score of 3.6, 3.4, and 3.7 were accepted whereas that of 2.2 was rejected. The accept decision is based on the fact that the mean score is greater than or equal to () 3.0, which is the point scale of measurement for positive decision while the "Reject" decision is based on the fact that the mean score is less than (<) 3.0. The grand mean of 3.2, which aligns with the decision rule for Accept shows that members' representation (in management committee) enhances participation in governance, except that participatory governance of members in the committee does not ensure control among units.

Summary of Findings

The following findings were revealed:

1. Voting process enhances members' meeting attendances in Agricultural Cooperatives.
2. Members' representation in the management committee enhances participation in governance, except that participatory governance of members in the committee does not ensure control among units.

Conclusion

Democracy has been adjudged to be a great driving force for positive and active members' participation in Agricultural Cooperative Societies. Members of Agricultural Cooperative have great commitment and impact towards active participation in the activities of their society due to the democratic factors such as voting, member representation, and participatory decision making. From the foregoing, it is pertinent to say that democracy in Cooperatives is a veritable tool for members' participation in cooperative business.

Recommendations

Based on the findings, the following recommendations were made:

1. Democracy in Agricultural Cooperatives needs to be strengthened and made sustainable through the initiation of broad Cooperative education by management of cooperatives, to maintain equity and equality in meetings of Cooperatives, increase meeting attendances and enhance active participation, hence, growth and development of Agricultural Cooperatives.
2. Cooperative governance needs to be run on a representative basis to help solve the problem of member apathy, disputes among members, restore the dignity of labour, maximizes business transparency, and stimulates members' interest and

commitments in Agricultural cooperatives. This will bring about sustainability in the growth and development of cooperative enterprise.

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MANAGEMENT CAPABILITIES AND ACCESS TO COMMUNICATION AMONG SELECTED COOPERATIVE SOCIETIES IN OGUN EAST SENATORIAL DISTRICT OF NIGERIA

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Abstract

This study appraised the impact of management capabilities and access to communication among selected business members of cooperative societies in Ogun East senatorial district of Nigeria. The specific objectives were to determine the impact of innovation capabilities and technological capabilities on the access to communication. The study adopted a survey design. A sample size of one hundred and five (105) respondents was purposively selected from different cooperative societies in the district. Cross-sectional data from primary source was employed for this study. A total of 105 copies of questionnaire were distributed to the respondents of the study. Descriptive statistics analysis was employed to analyse the demographic factors of respondents while multiple regression analysis was employed to verify the hypotheses formulated for this study. Results of this study revealed that there was significant positive impact of innovation capabilities on access to communication ($\beta = 0.843$, $p < 0.05$). Also the findings of this study further revealed that technological capabilities had significant positive impact on access to communication ($\beta = 0.568$, $p < 0.05$). The study concluded that there exist a significant relationship between marketing

capabilities on access to communication. Based on the results, it was recommended that organizations need to develop the ability to perceive and communicate new opportunities and potential threats in the environment in order to achieve a sustainable competitive advantage.

Keyword: Management Capabilities; Innovation Capabilities; Technological Capabilities, Access to Communication; Cooperative Societies

1.0 Introduction

The fast rise of digital technologies has changed the business environment and has led to new ways in which firms can do business (Amit & Han, 2017; Massa, Tucci & Afuah, 2017). There was no beginning that was devoid of communication. Thus, communication facilitates the transformation of human society. New competitors are not necessarily established market players but can even be start-ups that compete against incumbents with different business models (Dushnitsky & Lenox, 2005; Zott & Amit, 2007). Some new business models have significantly changed the rules of the game in certain industries (e.g., Uber and the taxi industry, Netflix and the movie industry, and Airbnb in the accommodation industry) (Tece,

2018).

Organizational communication has been increasingly studied due to the multiple fulfilled roles, which are highlighted by different authors. Communication takes place between two units (individuals, groups and organizations). It involves a sender who transmits a message to a receiver who usually reacts. At times there are interferences between transmission and reception and all this take place within an environment. Some scholars consider it the most important link of the organizational chain because the organization's strength or weakness depends on its strength or weakness (Ahmed, Coulibaly & Zlate, 2017). Others claim that how an organization conceives or manages its communication says more about its culture than any other process element (Sanchez & Heene, 2017).

According to Wilson, communication can also be seen as a reduction of uncertainty, thus communication is an exchange of meanings. Chen, (2006) pointed out that research is lacking in examining employee satisfaction with the communication process. Therefore, there is need to explore the relationship between organizational communication and worker's performance since communication integrates different units and functions in the organization. Communication is the human activity that links people together and creates relationships (Duncan & Moriarty, 1998). This means that individuals can relate with each other by using any means of communication. It is the glue that binds people together in an organization. Managers have traditionally spent the majority of their time communicating in one form or another (face-to-face discussion, memos, notice boards, mass meetings, employee handbooks, public lectures, etc.).

On the other hand, management capability is regarded as the capacity to structure, combine, and leverage internal and external resources to create new value for stakeholders and maximize competitive advantage. It is what a firm can do by which individual resources conferred competitive advantages. Capability management distinguishes between operational capabilities, common processes and techniques that can be learned and but cannot be imitated, e.g. the Toyota

production system, and dynamic capabilities: hard-to-imitate "signature processes", routines, and behaviours that are unique to each firm (Stead & Stead, 2015; Teece, 2014).

Kor and Mesko (2013) show that management capabilities contribute to establishing a dominant logic in the firm that takes concrete form in routines, procedures, and capabilities that influence the implementation of strategies and the search for new options for growth and innovation. Research in the last decade obtains empirical evidence of the relationship between management capabilities, strategy, and performance. Management is a process that combines planning, designing, staffing, leading, and organizing actions. The communication process influences not only the way management works but also the way employees understand their role in an organization, the commitment, and the expectations they have. Often each manager has to focus on communication matters concerning crisis management, conflict management, and career management.

Capabilities can achieve greater profits (Castanias & Helfat, 2001) and competitive advantages for their organizations (Carmeli & Tishler, 2004). Management remains keys to delivering the performance needed from the determined strategic intentions. A firm's organizational capabilities are of paramount importance for increasing customer value creation. Human capital knowledge management capability is reflected by a firm's success in developing and retaining competent and committed human capital and by its efforts to promote the sharing of tacit knowledge amongst employees. Through application of their tacit knowledge, employees provide an organization with capabilities that competitors cannot easily copy (Teece, 2000).

According to Phillips (2010), effective communication is a prerequisite in order to collaborate properly and build a career path in an organization. Organizations must develop relationships of trust and teamwork. This cultivates the commitment as well as creates alliances and feelings of involvement in an organization. Communication involves a sender who transmits a message to a receiver who usually reacts. At times there are interferences between

transmission and reception and all this take place within an environment. The process involves the sender, the message, medium or channel, the receiver, feedback and the environment. Communication requires a spirit of mutual understanding and it must flow freely and fully. At times however it breaks down owing to various factors that preclude it from performing optimally. However, few studies have been done to uncover the impact of management capabilities on access to communication in Nigeria and some selected cooperative societies in Ogun East senatorial district. Therefore, this study focuses on the impact of management capabilities on access to communication.

The broad objective of this study is to determine the impact of management capabilities on access to communication. Other specific objectives are to first and foremost, determine the impact of innovation capabilities on access to communication. Secondly, examine the impact of technological capabilities on access to communication. The research questions for this study cover the following in line with the research objectives: **Firstly**, what is the impact of innovation capabilities on access to communication? **Secondly**, what is the impact of technological capabilities on access to communication?

This study is relevant in that it seeks to identify the impact of management capabilities on access to communication in achieving organizational goals and objectives. The study tries to expose the impact of marketing capabilities on access to communication, and its influence on marketing and innovation capabilities in an organization. The study will serve as a guide to the cooperative societies in Ogun East senatorial district under examination and the entire cooperative societies in Ogun East senatorial district in Nigeria by giving them an insight on ways in which planning and execution of management capabilities on access to communication can be achieved to increase organization performance. It will furnish the government and the general public on information on the impact management capabilities on access to communication. The findings and recommendations will be relevant to all cooperative societies in Ogun East senatorial district.

2.0 Literature Review

2.1 Marketing Capabilities

Marketing capability can aid organizations intelligence and respond to market changes such as competitors' moves, technological evolution and revolution, allow organizations to influence the competences and resources of associates for value creation, enable organisations to predict and forestall customer obvious and latent needs. Marketing capabilities enhance an organization's capability to produce and broadcast information and respond efficiently to recent and possible customer wants (Su, Peng, Shen & Xiao, 2013).

Marketing capabilities allow organizations to sense and meet market demand and make strong relationships with customers, suppliers and channel members through such actions as personal sales, market information management, product communication, pricing, and promotion and advertising (Morgan, 2005). Marketing capabilities promote organization in appropriate understanding of the market, customer relations, and cross-management capabilities focussed on market research.

Marketing capability can be defined as the capacity to plan, design and run procedures efficiently to a programme that energies lucrative development. Marketing capabilities can be intentionally focused on producing market orientation by investigating the environment for a degree of variation towards the logistics impact, service processes, cultural adaptation, needs, costs, services' needs, image- of the company level and customer advice (Kadic-Maglajlic & Miocevic, 2020). Marketing capability makes sales by enhancing the firm's understanding of customers and markets (i.e., by working on the firm), or by increasing customers' preparedness to pay for the firm's products (i.e., by working on the customers). In both cases marketing capability increases sales for the company (Morgan, 2005).

Marketing capability also encompasses the exchange and diffusion of information within the organization. It permits the engagement of inner and exterior processes around the organization. This permits us to have better knowledge management, which contributes to make strategic learning and to create absorptive capacity (Vorhies & Morgan: 2005). In other words, the sellers' services are fixated on defining the aim of the organization towards positioning it in the new environment. Furthermore, the marketing

capabilities assist the management to advance their abilities and skills because it can capture the market policies (Stokburger-Sauer, 2016). In concert, it aids sellers to recognise the features of the customers' wants by presenting products to please them at that moment and time. Marketing capabilities can be a basis for competitive advantage for organizations (Hsu 2009, Fang & Zou, 2009, Kaleka, 2011).

2.1.1 Innovation Capabilities

When new ideas, thoughts and philosophies are translated into new and improved services, products or processes that give mutual benefit for firm or organisation, we say innovation capability has occurred (Tidd, 2012). Literature differentiates various types of innovation and scholars have discovered its classification in divergent ways. Innovation is one of the factors that business organisation can understand to become competitive or lose in competition (Porter, 1990). Some studies observed a single type of innovation such as process innovation or product innovation, whereas others discovered both process and product innovation (Abrunhosa & Moura, 2008; Prajogo & Sohal, 2004).

Product innovation is related to either the formation of new markets or the enrichment of prevailing products (Chang, 2012). It is a tough process motivated by changing customer wants, evolving technologies, growing global competition and shortening product life cycles (Gunday, Ulusoy, Lutfihak & Kemal 2011). Process innovation "is defined as the introduction of new and improved technique of creation (Expósito & Sanchis-Llopis, 2019) by an organisation that embraces substantial changes in tool, mechanism, and methods and equipment" (Obeng & Boachie, 2018). For product innovation to happen, the business organisation will have to alter its module operandi, and this could give birth to the breaking down of relationships between the organisation and its customers, associates and suppliers. In addition, changing too much of a business's product could lead to the business gaining a less sound image due to a loss of reliability and uniformity (Faizah, 2016).

Organization for Economic Cooperation and Development (OECD 2005) deposited that a process innovation is the application of a new or

meaningfully enhanced production or delivery system. This comprises important changes in methods, equipment and/or software. Process innovations can be projected to reduce per costs of production, to increase value, or to produce or deliver new or meaningfully enhanced products. The innovation process denotes the alteration process in an innovation machine path. Process innovation means the application of a new or meaningfully enhanced production or delivery technique (including important changes in methods, equipment and/or software) (Nurulhasanah 2016). Slight changes or enhancements, a rise in production or service proficiencies through the addition of manufacturing or logistical systems which are comparable to those already in use, stopping to use a process, simple capital replacement or extension, changes consequential from changes in factor prices, customisation, regular seasonal and other cyclical changes, transaction of new or meaningfully enhanced products are not regarded as innovations (Daniela, 2015).

Saunila (2017) defines innovation capability through the facets of manipulating an organization's competence to accomplish innovation. These aspects comprise participatory leadership culture, work climate and well-being, ideation and organizing structures, regeneration, know-how development, individual activity and external knowledge. According to Sulisty (2016), empowerment pointedly impacts innovation capabilities and performance. The healthier the empowerment in terms of decision-making authority, access to information, providing positive influence and succeeding the planning process will inspire innovation capabilities and the performance. This supports the findings by Çakar and Ertürk (2010) who deposit that empowerment directly affects innovation capabilities. According to Drucker (1954), innovation capabilities are serious to attaining superior innovation performance. This is because markets are categorised by short products life cycle and a high rate of new product introduction. A firm with an inordinate innovation competence will enjoy a high innovation performance.

2.1.2 Technological Capabilities

Technology in twenty-first century is value

transformation with a day-by-day increment (Sushil, 2020). Technology enhances the advancement of science and the transformation of market and entrepreneurship world (Jahanshahi, 2018). Technology is not only contributing to the advancement of every aspect of our daily lives, but also has the capability to revolutionise, integrate and build organisation structures, creative concepts, goods and services, and proffer solutions to dynamic problems in producing new products for the massive growth of entrepreneurship (Sushil, 2019).

With AI (artificial intelligence), entrepreneurship spreads, where knowledge is the essential basis and ingredient for growth and development to better comprehend the whole entrepreneurial situation, and it becomes essential to examine the entrepreneurship process in an innovative light (Wright & Schultz, 2018). Since this age is hinged on globalization and the knowledge society, most companies in different areas are struggling to be more innovative, creative and competitive. Technological changes, economic surprises, and market demands have forced many organizations to reconsider their business models (Evans, 2018).

Technological capability has been defined as 'a body of knowledge, skills, routines and abilities that lead to technological change (innovation) in order that the firm exceeds its competitors' (Tello-Gamarra & Zawislak, 2013). Technological capability has been defined as an organisation's ability to strategize and advance new product, process and elevate knowledge and skills about the physical environment in an exceptional way, and changing the knowledge into directions and plans for effective and efficient creation of desired performance (Wang 2006, Salisu, Julienti & Abu Bakar, 2019). Technological capability involves not only technical control capability, but also the capacity to increase and position the firm's core capabilities, and effectively syndicate the different streams of technologies and activate technological resources throughout the organizations (Reichert, 2012).

Furthermore, technological capability comprises the body of applied and hypothetical knowledge, actions, skills, approaches and physical equipment and devices (Ahmad, Othman & Mad Lazim, 2014). Technological capability

epitomises an organisation's greater and varied technical properties which accurately connected to the design technologies, product technologies, information and process technologies, sourcing and integration of external knowledge (Bergek, Tell, Berggren & Watson, 2008). These mechanisms of technological competences are accountable for substantial encouraging discrepancy in organisation's performance (Bergek et al., 2008).

Technological competence plays a vital role in the accomplishment of organisation's effectiveness in production processes and innovativeness. Generally, it is connected with the knowledge and skills essential for an organisation to grow, develop, allocate, adapt and captivate technologies (De Mori, Batalha & Alfranca, 2016). Organisation's technology can be viewed as part of the general body of knowledge, methods, system and tools available for the generation, spreading and usage of goods and services by the final destination. An organisation's technological change can be valued as an on-going process to create and absorb technologies that allow the organisation to competitively produce and offer valuable product to the marketplace. Wang (2006) discoursed that the helpful effects of technological competence on organisation's performance established the possibility of this capability to inspire intermediating variables such as organisation's learning.

2.2 Access to Communication

Communication in the workplace environment happens for both indirect and direct reasons. Principally, it is essential for transitory information between persons working in the same organization and their organization; and others. In the workplace, an individual's capability to communicate is replicated by the value, worth, quality and range of one's communication skills. Communication is generally defined as a process of sending ideas, thoughts or messages through diverse platforms and it is customarily comprised of signs, oral and written (Al-Tokhais, 2016).

Otoo (2016) opines that the efficient and effective leaders are those who plainly comprehend the diverse facets of communication and its overall effect on the organization's structure. Acquisition of knowledge on the significance of business

communication allows leaders or managers to advance the flora of communication in the organization which in the long run produce positive outcomes most particularly regarding the productivity performance of employee. Open communication can be generally viewed as a tool for advancing work motivation. Osborne (2002) denotes the meaningfulness of work performance as an important element of job satisfaction. In absence of pure communication and access to information, employees are commonly not able to notice them.

The leadership of business organisation attempts to produce the environment inspiring creativity and innovation; the important responsibilities comprise the creation of a clear and pure communication system relevant in the whole organisation. This declaration can be established in the outcomes of Ye, Jha and Desouza (2015), according to which the efficacy of communication can regulate the victory or disaster of an innovation project. The capability of employees to communicate efficiently is currently considered to be a great advantage. It is also established by a study steered by Urbancová (2019), according to which the most wanted capability in recognising a gifted employee is their capability to communicate effectively.

2.3 Relationship between Management Capabilities on Access to Communication

Organizational capabilities are the abilities of an organization to reach a particular result using organisational resources and coordinated tasks (Helfat & Peteraf, 2003). Studies have provided empirical connection between performance, management capabilities and strategy (Adner & Helfat, 2003). Phillips (2010) suggests that effective communication is a requirement for appropriate collaboration and building a career pathway in an organization. Organizations must develop teamwork and trust.

The competence of an organization is improved by using a minimal quantity of resources to produce quality products for customers. This would include the right combination of “easy” and “tough” information assembly. According to Barney (1991), a resource that contributes to improving an organization's competence and efficacy in sustaining customer needs should be identified as a source of competitive advantage

(Le Roux & Oosthuizen, 2010). Good organizational communication, principally interpersonal communication, is, in turn, vital to efficiently utilizing human and raw material resources.

Adequacy or lack of communication can either energize or stall creative and innovative resolutions in workplace. Study carried out by Gilley, Dixon and Gilley (2008) observe change and innovation as they enhance the behavioural skills of management and leader. The study specifically examines how leaders and management often asked employee to evaluate their effectiveness and efficiency in workplace through coaching, rewards, encouragement of team work, motivation, communication and collaboration. It was deduced from the study that organisation failure is sine-qua-non to inadequacy of communication. The study also expresses that the capability to inspire and correctly communicate interpersonally influences a leader or manager's ability to efficiently implement change and create innovation. For organisational environment to be very competitive, organizations should be able to execute, anticipate and adapt transformation positively.

2.4 Theoretical Review

2.4.1 Dynamic Capabilities Theory

Dynamic capabilities as fully supported by organizational practices and managerial skills, are the organisation's capability to build, integrate and reconfigure core competences to address some cases in order to usher in monumental changes in the workplace (Teece, 2007). From the beginning, dynamic capabilities have been a core factor that explains how organisations withstand their existence in dynamic environments (Schilke, Hu & Helfat, 2018). The dynamic capabilities offer an all-inclusive comprehension of this process, rather than offering narrow understandings (Teece, 2014). Many studies, however, center on the function of managers in bringing about dynamic capabilities (Adner & Helfat, 2003; Helfat & Peteraf, 2015; Martin, 2011), discovering the individual keystones such as managerial understanding, social wealth, and human capital (Helfat & Martin, 2015) that allow managers to ratify dynamic capabilities (Rodrigo-Alarcon, García-Villaverde & Ruiz-Ortega,

2018).

Research on management and organisation has encouraged diverse and partially non-overlapping explanations of dynamic capabilities. Earlier research (Ambrosini & Bowman., 2009) uncovered the misperception in the meaning of the concept. In line with the “growing convergence among definition of the dynamic capabilities concept toward the more current integrative definition by Helfat”, dynamic capabilities can be defined as “the capacity of an organization to resolutely produce, spread, or adjust its resource base” (Helfat, 2007). This construct offers an all-inclusive agenda for illuminating the fundamentals of sustained competitive advantage in dynamic environments grounded on a firm's capabilities to sense opportunities and threats, to seize these opportunities by assembling resources and procedures, and to reconfigure its base of incomes (Jantunen, Ellonen & Johansson, 2012; Teece, 2014). This description also places onward an understanding of dynamic capabilities as being based on tactical flexibility in solving problem (Li & Liu, 2014), rather than a domain-specific capacity (Schilke, 2014).

Teece (2007) opines that, for logical purposes, “dynamic capabilities can be disaggregated into the capacity to sense and shape opportunities and threats, to seize opportunities, and to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets.” Sensing competences is fundamentally about gathering pertinent market intelligence that comprises alertness of business environment and comprehending markets and (potential) customers, competitors, and classifying business opportunities. These competences include perusing, interpretation, knowledge, and creative events, and are critical in evolving innovative value schemes. The organisation must regularly search and research, explore and scan the complete scope of markets and technologies to recognise opportunities and threats, and to comprehend latent demand (Helfat, 2007). Grasping capabilities is about distributing market intelligence; that is to say, addressing the recognised business chance through an innovative value scheme (Teece, 2007).

Fundamentally, dynamic capabilities are desirable for connecting organizational core resource outlines with the immediate environment as stated by Teece, Pisano and Shuen (1997). Planning competences are related with stopping organizational apathy through handling threats and outlining assets and organizational structure (Teece, 2009). Organisational leaders and managers use their planning competences after sensing and grasping an opportunity in order to achieve such opportunity through outlining their resources. In addition to highlighting resource planning, Teece (2009) claimed that outlining capabilities demand setting measures for integrating and sharing knowledge and proper learning in a collaborative setting. Consequently, we may contend that dynamic capabilities may contribute to pure identification of organizational internal strengths and weaknesses that lead to expecting external opportunities and threats.

3.0 Methodology

This study employed survey design. The design helped the researcher to describe the event in question using the resulting data to explain and predict the given relationship between the variables of the study. The study area in this research comprises of some selected cooperative societies in Ogun East senatorial district, Nigeria. The reason for choosing this study area was because the cooperative societies are subjected to continuous technological developments and are thus, highly innovative. The population of the study consists of all members of the selected cooperative societies in Ogun East senatorial district, Nigeria. A sample size of one hundred and five (105) respondents was purposively selected from different cooperative societies in Ogun East senatorial district. This was obtained from the selected cooperative societies in Ogun East senatorial district by use of random sampling technique. This technique was employed in order to avoid a deliberate selection of a particular member and also to give all the members equal chance to be selected. The researcher made use of a well-structured questionnaire adapted from study. Primary data was employed for this study and structured questionnaire was employed as research instrument. The questionnaire items were designed by the researcher. Closed ended type of questionnaire was used for the study.

To enhance the validity of the instrument, a pre-testing was conducted on a population similar to the target population. The researcher selects a pilot study of 50 to test the reliability of the research instrument. This study uses the Cronbach Alpha technique to determine the internal consistency of the variable.

Table I: Reliability Statistics

Constructs	Number of Items	Cronbach's Alpha
Marketing Capabilities (MC)	5	0.733
Innovation Capabilities (IC)	5	0.806
Technological Capabilities (TC)	5	0.737
Communication Access (CA)	5	0.720

Source: Researchers Field Survey, 2022

The retrieved copies of questionnaire were analyzed using regression analysis. This statistical tool was selected by the researcher because of its simplicity and relevance to the research work. The analysis will be done with the software known as Statistical Package Social and Management Sciences (SPSS).

4.0 Result and Discussion

For this study, the analytical techniques employed in analyzing the data collected from the respondent were the Simple Percentage Analysis. The descriptive statistics of the data is shown below:

Table II: Descriptive Statistics of the Data

Gender	Male	Female			
	43.8%	56.2%			
Age	Below 20 years	21-35 years	36-40 years	Above 41 years	
	2.9%	43.8%	29.5%	23.8%	
Management Level	Top Level	Middle Level	Low Level		
	11%	51%	38%		
Educational Qualification	O'Level	OND/NCE	HND	B.Sc.	M.Sc.
	2.8%	12.4%	30.5%	38.1%	16.2%
Length of Services	Below 5 years	5-10 years	11-15 years	16-20 years	Above 20 years
	37.1%	25.7%	22.9%	10.5%	3.8%

Sources: Field Survey, 2022

4.1 Hypotheses Testing

H_{01} : There is no significant impact of innovation capabilities on access to communication.

Table III: Summary of Regression Results for the Impact of Innovation Capabilities on Access to Communication

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.711	.708	.10219
a. Predictors: (Constant), Innovation Capabilities				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.641	1	2.641	252.918	.000 ^b
	Residual	1.076	103	.010		
	Total	3.717	104			
a. Dependent Variable: Access to Communication						
b. Predictors: (Constant), Innovation Capabilities						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.147	.154		13.921	.000
	Innovation Capabilities	.543	.034	.843	15.903	.000
a. Dependent Variable: Access to Communication						

Source: SPSS Output (2022)

The result on the table III revealed the significant impact of innovation capabilities on access to communication. The result shows a coefficient and probability value of $\beta = 0.843$, $p < 0.05$. The coefficient of determination (R^2) of 0.711 indicated that, 71.1% of the variation or change in innovation capabilities in the selected cooperative societies in Ogun East senatorial district is attributable to innovation capabilities and the remaining 28.9% is due to other factors not captured in the model. The coefficient value showed that, a change in innovation capabilities will lead to 0.843(84.3%) change on access to communication. This implies a strong relationship among the variables. Thus, we reject the null hypothesis. As a result, this study concluded that innovation capabilities had significant positive effect on access to communication in some selected cooperative societies in Ogun East senatorial district in Nigeria.

H_{03} : There is no significant impact of technological capabilities on access to communication.

Table IV: Summary of Regression Results for the Impact of Technological Capabilities on Access to Communication

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.568 ^a	.322	.316	.15638		
a. Predictors: (Constant), Technological Capabilities						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.198	1	1.198	48.980	.000 ^b
	Residual	2.519	103	.024		
	Total	3.717	104			
a. Dependent Variable: Access to Communication						
b. Predictors: (Constant), Technological Capabilities						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.391	.173		19.649	.000
	Technological Capabilities	.270	.039	.568	6.999	.000
a. Dependent Variable: Access to Communication						

Source: SPSS Output (2022)

The result on the table IV revealed the significant impact of technological capabilities on access to communication. The result shows a coefficient and probability value of $\beta = 0.568$, $p < 0.05$. The coefficient of determination (R^2) of 0.322 indicated that, 32.2% of the variation or change in technological capabilities in the selected cooperative societies in Ogun East senatorial district is attributable to technological capabilities and the remaining 67.8% is due to other factors not captured in the model. The coefficient value showed that, a change in technological capabilities will lead to 0.568 (57%) change on access to communication. This implies there is positive relationship among the variables. Thus, we reject the null hypothesis. As a result, this study concluded that technological capabilities had significant effect on access to communication in some selected cooperative societies in Ogun East senatorial district in Nigeria.

4.2 Discussion of Findings

This study was designed to appraise the effect of management capabilities on access to communication among selected cooperative societies in Ogun East senatorial district. This study was guided by two objectives which are to: determine the impact of innovation capabilities on access to communication and examine how technological capabilities influences the access to communication. Two research hypotheses were formulated to guide the study and tested using multiple regression and analysis of variance at 5% significant level.

Analysis of the first hypothesis revealed that there was significant (positive) impact of innovation capabilities on access to communication. This support the claim of Saunila (2017), that leadership culture, ideation and organizing structures, work climate and well-being, know-how development,

regeneration, external knowledge and individual activity. This also support the findings of Sulisty (2016), that the better the empowerment in terms of decision-making authority, access to information, providing positive impact and following the planning process will encourage innovation capabilities and the performance.

Analysis of the second hypothesis shows that that there was significant (positive) impact of technological capabilities on access to communication. This support the findings of Awamleh (2021), that information technology capabilities and organizational intelligence play an essential role in raising and improving competitive advantage and responding to business environmental changes.

5.0 Discussion and Implications for Management

This main purpose for which this study was conducted was to determine the impact of management capabilities on access to communication among selected cooperative societies in Ogun East senatorial district in Nigeria. From the discussion of finding, the study concluded that there exists a significant relationship between marketing capabilities on access to communication, while also revealing that innovation capabilities have a strong impact on access to communication of an organization. This implied that an organization can develop the ability to use market information and ideas that may contribute to the firm's existing product markets to achieve a competitive advantage in the dynamic environment. This study further concludes that there exists a significant relationship between technological capabilities on access to communication. This implied that an organization can use technology to upgrade their products according to market demand and expand their present customer base with the help of technology.

Based on the findings of this study, it was recommended that organizations need to develop the ability to perceive new opportunities and potential threats in the environment in order to

achieve a sustainable competitive advantage. Also, organizations need to recognize that customers require a certain degree and configuration of interactional, sourcing, experience utilization, internal organizational, and innovation capabilities if they are to realize the promised performance. Lastly, organizational capabilities only develop over a long period of time and meaningful capability improvements might not be achievable within limited duration.

In view of the limitations of the research, the following suggestions are recommended for further study: firstly, the research was conducted based on the opinion survey of 105 employees that constituted the respondents for the enquiry and this are few participants used for the study. Number of participants will be very important factor to a new study. Also, future study should explore whether certain management capabilities or lack of it might have different consequences for other performance outcomes.

APPENDIX

Section A

Please tick the option in the space provided

1. Gender: Male [] Female []
2. Level: Top level manager [] Middle level [] Low level manager []
3. Age: Below 20 years [] 21-35 years [] 36-50 years [] Others []
4. Educational Qualification: O'level [] OND/NCE [] HND [] B.Sc. [] M.Sc. [] Others []
5. Working Experience: Below 10years [] 11-20years [] 20 years and above []

Section B

Please read this statement carefully and tick the option that best reflect the feeling for each statement. SA - Strongly Agree, A – Agree, UD – Undecided, D – Disagree, SD – Strongly Disagree.

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INFLUENCE OF MEMBER COMMITMENT ON THE PERFORMANCE OF AGRICULTURAL COOPERATIVES IN ANAMBRA STATE, NIGERIA

BY

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ABSTRACT

This study examined the influence of members' commitment on the performance of agricultural cooperative societies in Anambra State. Data were collected from 270 respondents selected through multi-stage sampling procedure and from 24 registered and active agricultural cooperatives in the study area. These collected data were analyzed with both descriptive and inferential statistics, the descriptive statistics include frequency, simple percentage and mean, while inferential statistics used was one sample T-test analysis, multiple regression and correlation analysis. The result from the study revealed that, members do not feel a sense of ownership towards the cooperative because there are not many other opportunities outside of the cooperative. The members do not have a strong sense of desire to continue with the cooperative. The members were not morally obliged to remain with the cooperative and strengthen their belief in the value of remaining loyal to the cooperative. Fair and equitable voting rights, demonstrating support to members, promoting cooperative ideology, building a positive image about the benefits of cooperative and involving members in the governance of the society were found to significantly determine members' continuance commitment with their cooperatives. Access to

cooperative learning and education necessary information to the members, on-farm visits, opportunity for members to interact with each other, frequent interaction of members with management commitment with their cooperatives. There is a strong relationship between the member commitment and the cooperative performance. In order to enhance and strengthen cooperative performance through increased member commitment level; the researcher suggested that the cooperatives should offer attractive prices, offer members investment opportunities to create added value and high quality improving inputs at a subsidized price to their members to differentiate the cooperative from the alternative organizations; cooperative should provide more avenues for member's investment of their identity, skills, and intellects to enable them build a sense of ownership towards the cooperatives; establishing cordial relationship between members and committee members and member farm visits to promote member's sense of belonging and identification; involving members in all decision making process and giving them continuous training and education to stimulate their interest and increase their commitment to the cooperative.

Key words: Agriculture, Government,

Performance, Members Investment, Added Value.

INTRODUCTION

Cooperative firms occupy a strong position in many business sectors all over the world and a continuing interest exists for the cooperative business form (Galle, 2010). Due to the current economic conditions, cooperatives receive increasing attention as being a durable business form. **Cooperatives** are defined as “an autonomous association of persons who unite voluntarily to meet their common economy and social needs and aspiration through a jointly owned and democratically controlled enterprise (ICA, 1995). **Cooperatives** are established by like-minded persons to pursue mutually beneficial economic interest. A **cooperative** is by definition controlled by the members of the **cooperative** (Dunn, 1988). This is necessary for the **cooperative** to be able to serve the interests of the members. What has made co-operatives unique is the member relationship with the co-operative as both owner and user of their organization. This creates the context for a closer fit between the organizational design and member needs and hence is a key competitive advantage (Briscoe & Ward, 2000). Co-operatives are, first and foremost, membership-based organizations. They internalize individual and discrete exchanges into a formal organization. Co-operatives rely on long-term and repeated exchange relationships with their members to generate a collective benefit that is greater than the sum of inputs of individual members. On the other hand, the decision to join the co-operative organization is processed at the individual level, where perceptions of individual benefits and costs are key inputs to the projected surplus at the individual level (Jussila, Goel, & Tuominen, 2012). Member commitment is crucial for organizations which derive most of their necessary inputs from the contributions and activities of members but cannot pay members for

that input (Houglund & wood 1980). Co-operatives are reliant on their members as users of their service and controllers of their operation (Byrne & McCarthy, 2005).

Member commitment is seen as a qualitative feature of a member's relationship with her/his co-operative (Byrne, McCarthy, Ward, & McMurtry, 2012) – the co-operative society in particular being the object of **commitment** (Jiménez, Martí, & Ortiz, 2010; cf. Becker, 1992). Fulton and Adamowicz (1993), 'defines' member commitment in a cooperative as a preference by members for something that is offered by the cooperative and not by an Investor Owned Firms, and that the source of this is historically linked to cooperative ideology. Fulton (1999) put it that, “the source of **member commitment** is the set of characteristics that appeals to one group of people – the members – but not to another – the non-members. In addition, the source of **member commitment** must be one that makes a distinction between the co-operative and alternative organizations (e.g., IOFs). Member commitment can be seen as variables that capture the extent to which the member is likely to choose maintaining his membership (patronage) in the co-operative. According to Kroft & Bijman (2007) a member of a cooperative is committed when he feels himself united with the cooperative and identifies himself with the cooperative. A committed member accepts and supports the cooperative's strategy, is prepared to deliver extra efforts for the cooperative, is prepared to participate in the decision-making of the cooperative, has a desire to remain a member of the cooperative and accepts certain decisions that will be unprofitable on the short term for the member but are in the advantage of the cooperative on the long term (Kroft & Bijman, 2007). A high level of member commitment is important for the economic performance of the cooperative and its members (Fulton, 1999). Members show their satisfaction with the cooperative in their level of commitment, because the main task of a cooperative is to serve its members in their needs and expectations.

Cooperatives are defined by their special relationship with the members; their continued success is dependent on the quality of that relationship. Commitment of members to their cooperatives historically has been seen as an important element for the survival of cooperatives. It is also taken as an important recipe for their success today as well (Fulton and Adamowicz, 1993). According to Kroftn & Bijman (2007) a member accepts and supports the cooperative's strategy, is prepared to participate in the decision-making of the cooperative, has a desire to remain a member of the cooperative and accepts certain decisions that will be unprofitable on the short term for the member but are in the advantage of the cooperative on the long term (Kroft & Bijman, 2007).

Recently, the consolidation going on in Agricultural sector destabilizes the Agricultural cooperative which in turn affects the relationship between Agricultural cooperatives and their members. This has made Agricultural cooperatives to expand their activity portfolio and developed new organizational forms. They even relaxed the basic foundation on which a cooperative is build: collective equity, control and benefit allocation to the members (Kalogeras et al., 2009). Cooperatives are facing higher competition and unstable markets as a result members see commitment as method to generate personal economic advantage rather than a way of showing solidarity which makes it difficult for collective action. Farmers tend to position their own person and development as more important than the cooperative. The changes in market strategies also have made the cooperatives focus more on the market and consumer instead of the product. As a result of these recent developments member commitment in cooperatives seems to be declining.

Member's commitment is an important ingredient for the formation and existence of any cooperative. Cooperatives require the commitment of its members for its survival. Therefore member commitment is an important element for successful and efficient operation of

the cooperatives. The performance of cooperative organizations depends on their ability to mobilize resource and members, gaining market share, keeping members' commitment and satisfied and holding their members with them. However the performance and sustainability of the cooperatives has been questionable because farmers have to strongly commit to their cooperatives to let it perform well. Low member commitment is gradually showing up and one of the problems militating against effective performance of agricultural cooperative. This has made for poor performance, declining and death of some cooperatives (Omotesho et. al, 2008). Declining member commitment is a concern for many cooperatives since sustainable and successful co-operation requires high member commitment (Österberg, Hakelius, & Nilsson, 2009). Thus, this study is challenged to ask: what are the farmer's levels of emotional attachment to their cooperatives in Anambra State? Are farmers loyal to their cooperatives societies particularly, when other more attractive alternatives exists in Anambra State? What are the farmer's levels of obligation to the survival of their cooperatives? Are there factors influencing members' commitment to their cooperative societies have influence on the performance of the cooperative in Anambra State.

Objectives of the Study

The aim of this research is to determine the influence of member commitment on the performance of Agricultural cooperative Societies in Anambra State.. Specifically, the study is designed to:

- i. ascertain personal characteristics of members of the Agricultural cooperative societies;
- ii. examine farmers level of emotional attachment (Affective commitment) to the agricultural cooperative society;
- iii. examine farmers level of desire to continue (continuance commitment) with the agricultural cooperative even when more attractive alternatives exist;

- iv. examine farmer's level of sense of indebted obligation (normative commitment) to the agricultural cooperative;
- v. identify major factors that determine the commitment of members to agricultural cooperatives society;
- vi. determine influence of members' commitment level on the performance of agricultural cooperative societies; and
- vii. suggest ways agricultural cooperatives can increase the commitment of their members.

Hypothesis of the study

HO₁ There is no significant differences in the degree of influence among factors that determine commitment level of members to their agricultural cooperative societies.

HO₂ Member's affective commitment is not positively and significantly related to the agricultural cooperative society's performance.

HO₃ Member's continuance commitment is not positively and significantly related to their agricultural cooperative society's performance.

HO₄ Member's normative commitment is not positively and significantly related to their agricultural cooperative society's performance.

Conceptual Review

Cooperative and Member Commitment

Fulton (1999) describes member commitment as "a sort of glue that allows membership and business volume to be maintained even as trade becomes more fluid and barriers to reorganisation are broken down". Fulton (1999) furthermore states that member commitment is created when "the cooperative finds a set of characteristics that appeal to the members but not to the non-members" (Fulton, 1999). Kroft & Bijman (2007) explain that a member of a cooperative is committed when he feels himself united with the cooperative and identifies himself with the

cooperative, often referred to as the cooperative ideology. A committed member accepts and supports the cooperative's strategy, is prepared to deliver extra efforts for the cooperative, is prepared to participate in the decision-making of the cooperative, has a desire to remain a member of the cooperative and accepts certain decisions that will be unprofitable on the short term for the member but are at the advantage of the cooperative on the long term (Kroft & Bijman, 2007). These definitions are not identical due to the subjective nature of the concept. They however all have some parts in common, which makes it possible to explain of what aspects member commitment consists. First of all there is the importance of a relationship and a certain desire and willingness to remain in this relationship. Second, there is some sacrifice behaviour accepted in continuing the relationship. Third, there is the expectation and belief of continuity (Skarmeas et al., 2002). Based on a review of the majority of existing definitions, Meyer & Herscovitch (2002) suggest that commitment can be defined as "a force that binds an individual to a course of action of relevance to one or more targets". This force or mind-set can take different forms, which are desire, perceived costs and obligation, usually referred to as affective, continuance and normative commitment.

The level of commitment manifests itself by a member in the form of behaviour and attitude. The way members feel or think (attitude) about the cooperative is important to understand the way in which they respond to a situation or stimulus (behaviour). Certain measures can result directly in behaviour that leads to a higher level of member commitment. Other measures can result in a different attitude of the member towards the cooperative, which can indirectly result in behaviour that leads to higher commitment. Hakelius (1999) suggests that the lowest possible level of commitment is shown by a farmer who decides to end his membership of the cooperative and the highest level of commitment is shown by a farmer who is a member, trades only with the

cooperative, attends all annual meetings, and is an elected representative (Hakelius, 1999)

Member commitment is an important ingredient for the formation and existence of cooperatives (Fulton, 1999). The reason why members of cooperatives have to be committed lies in the characteristics of the cooperative business form, such as voluntary membership, democratic decision-making and the members as source of equity capital (Kroft & Bijman, 2007). According to Fulton and Giannakas (2007), **member commitment** is “of vital importance to the organization and to the well being of the members – as membership **commitment** wanes, so does the financial and organizational health of the organization and with it its ability to provide goods and services to the members.” Spiller and Wocken (2006) and Österberg and Nilsson (2009) have presented a number of arguments, relating to efficient operations, efficient decision-making, low cost of capital, and low transaction costs. The argument about efficient operations poses that committed members are willing to enter into a long-term relationship with the **cooperative** firm, giving the latter the opportunity to make long-term investments.

First, one of the basic characteristics of all cooperatives is **member-ownership**, which implies that members provide the majority of the equity capital needed for running the **cooperative** business.

Second, **commitment** reduces transaction costs in the **member-cooperative** transactions (Fulton, 1999). Transaction costs are low when the chance of opportunistic behaviour by members is low. Committed members are less likely to behave as free riders in their dealings with the **cooperative**. In addition, committed members may be more willing to exchange private information with the **cooperative** firm, such as information on the quality of the products delivered. If the **cooperative** cannot fully trust its members, it has to install expensive control measures which raise transaction costs. Thus, **member commitment**

lowers the cost of the transactions between members and **cooperative**.

Third, as cooperatives are **member-governed** organizations, members are needed in the governing (or controlling) bodies such as **participation** in the General Assembly, in the Board of Directors and in special committees. Members need to vote in the election of directors, need to give consent (or disapproval) for major investment, and need to control the decisions of board and management (Bhuyan, 2007). Committed members are more likely to hold the management and the board to high standards of performance (Trechter et al., 2002). If members are not committed, they may not want to invest time and effort in participating in the governance of the **cooperative**.

Cooperative Performance

Cooperatives are owned by their members, the easiest way to measure how well a cooperative is performing is ask their members because cooperatives try to deliver “member value”. Cooperative performance can be evaluated by different standards and with different perspectives. Onwuchekwa (1985) argues that “the choice of criteria for organizational performance is a contextual issue that depends on the nature of the organization in question” Holmen (1994) argues that an evaluation of cooperative performance should start with discussing what cooperative can and cannot do. Onwuchekwa argues that the members expectation are a vital part of understanding the cooperative goals and that the criteria for evaluation should be formulated as the extent to which a cooperative satisfy the basic interests that motivated the members to join the cooperative. In the context of a liberalized economy, cooperatives need to compete with a range of private actors that buy and sell agricultural produce, in order to survive as business organizations. As members are able to choose the buyer of their produce they are likely to select the one that offers the highest economic benefits. This means that a mismanaged cooperative, with low member

returns are likely to lose its members base (Wanyama et al 2009). The performance of cooperative in this context can thus be seen as an ultimatum: failure to survive the competition or successful business organizations.

Co-operatives UK has developed a practical framework for measuring co-operative performance, based on a set of common indicators and benchmarks based on shared data. These indicators are of two kinds – financial indicators (including a number focused on retail society financial performance) and non-financial indicators, covering issues that members and key stakeholders too, may value in terms of co-operative, social and environmental performance. CPCCU (2013) chose ten core non-financial indicators of cooperative performance as reflecting three key dimensions of non-financial performance; co-operative, social and environmental and relating these to cooperative principles are as follows:

Member economic involvement

Co-operatives are business established to meet the economic, social and cultural needs of their members. Economic participation of members is a fundamental part of cooperative identity. This indicator measures the extent to which members are engaging with their co-operatives on an economic level. As such, it also provides an indication of the extent to which co-operatives are fulfilling their obligation to meet member needs. This is an important aspect of ensuring a strong member base, which is essential to the future of the cooperative. Agricultural co-operatives need to explore the most appropriate way of indicating the extent to which their members are involved in their co-operative at an economic level.

Member democratic participation

Co-operatives are democratic organizations controlled by members, who actively participate in setting policies and making decisions. An involved and active membership is key to a successful and thriving co-operative. Co-operatives should be doing all they can to encourage and facilitate participation of members

in the decision-making processes of their organization. This indicator provides a way of demonstrating quantitatively and qualitatively how that is being done, in the context of individual members. Reporting on member democratic participation helps demonstrate adherence to the 2nd Co-operative Principle of “Democratic member control”, which relates to the fact that cooperatives are democratic organizations controlled by their members, who actively participate in setting their co-operatives policies and making decisions.

Participation of members in training and education

Measuring member's participation in training and education will provide an indication of how much a cooperative values these key stakeholders and how it provides opportunities for them to contribute to the success of their organization. Training and education is a key way of helping members to work more effectively both internally and with external stakeholders (e.g. customers), as well as providing them with the technical and specialist skills needed to carry out their job. It is also important in ensuring the health, safety and well-being of employees. Training and education represent a major investment (in time and money) in members, and can make them feel valued, improve their satisfaction and contribute to a motivated and loyal member.

Staff profile – gender and ethnicity

An equal opportunities policy sets out an organization's commitment to the development and use of employment procedures and practices which do not discriminate on the grounds of gender, marital status, ethnic origin, religious belief, etc. Monitoring the gender and ethnicity profile of an organization's workforce can help highlight possible inequalities, investigate their underlying causes and remove any unfairness or disadvantage. Without such monitoring, an organization will not be able to identify whether it is truly offering equality of opportunities to all groups. Promoting and ensuring equal opportunities provides a way of ensuring that an

organization fulfils its legal obligations. However, more importantly, it ensures the effective use of human resources within an organization and can contribute to the achievement of business objectives through the harnessing of existing and potential capabilities of all staff. Reporting on the gender and ethnic profile of staff will provide an indication that a Co-operative is adhering to the Co-operative Value of 'Equality'.

Member satisfaction

Members have a number of expectations from their cooperative. This range from expectations regarding quality, price, and overall value for money of products and services, and issues of health and safety, to wider issues concerning the way the cooperative carries out its activities. Measuring member's satisfaction will provide an indication of how well a cooperative is dealing with these expectations – on a day-to-day basis or over specific issues – and how well it is responding to members' needs. Satisfied members are likely to remain and may also recommend the cooperative to others, thus increasing the member base. Thus meeting member needs is also a key cooperative to others, thus increasing the member base. Thus meeting member needs is also a key component of the co-operative virtuous circle which links social goals (fulfilling stakeholder needs) to competitive advantage and commercial success (through growth of the member base).

Consideration of ethical issues in procurement and investment decisions

All co-operatives should be striving to carry out their activities in an ethical manner, this is, in ways which does not directly or indirectly undermine basic human rights (such as freedom from slavery, torture or discrimination) and in a way which has the least negative impact on the environment. All business activities have environmental and social impacts, although some are more obvious than others. The way in which co-operatives use their money, e.g. through purchasing activities or investment, is one of the

less obvious and yet potentially most far-reaching impacts it might have. In order to help maintain and respect human rights and to protect the environment, co-operatives should be considering ethical issues associated with buying goods and services, and lending or investing money. This means scrutinizing procurement of human rights, undue pollution, unfair trade or poor animal welfare. This indicator will help demonstrate how co-operatives are striving to carry out their activities in an ethical manner. By considering ethical issues associated with procurement and investment decisions, co-operatives will realize a number of benefits, including: ensuring compliance with legislation; meeting the expectations of its members, customers and other stakeholders; fulfilling its co-operative principles and values; and reducing risk associated with damaged reputation and supplier failure.

Investment in community and co-operative initiatives

There are many reasons why an organization might get involved in community initiatives including:

- A sense of moral and social responsibility, also responding to expectations from society.
- A belief that organizations have a long-term interest in fostering a healthy community 'enlightened self-interest'.
- A desire to promote social inclusion.
- The knowledge that community interventions involving employees, customers and suppliers can have direct benefits through increased profitability, stronger company image, reduced costs, better employee morale and improved customer loyalty.

As community investment is often the most visible side of an organization's social responsibility programme, reporting on this indicator can help demonstrate how cooperatives are meeting these member expectations. It is particularly important for co-operatives to measure and report on community investment, as

community support lies at the heart of the co-operative mission and values, and is a key aspect of the co-operative virtuous circle. It is also an important opportunity to address social inclusion, which is high on the government's agenda

Emissions arising from operations

Emissions arising from operations are sometimes detrimental to the environment. Reporting on emissions supports the 7th Co-operative Principle, 'Concern for community', this states that co-operatives work for the sustainable development of their communities. To reduce environmental impacts and potentially reduce costs, organizations should be showing a year-on-year decrease in this indicator. Co-operatives should be aiming to demonstrate a decrease in emissions according to the normalized data. Reducing these emissions is a key part of an effective national response to the challenge of climate change.

Proportion of waste recycled/reused

Waste is an ever-growing burden on society. It is expensive and it has significant environmental impacts. There is also concern over environmental impacts of other forms of disposal, such as the control of emissions from waste incinerators. There are thus strong economic as well as environmental reasons to reduce the generation of waste and our reliance on landfill. Increased recovery and recycling of waste will not only help co-operatives manage and reduce their environmental impacts, but could also significantly reduce their waste disposal costs.

Empirical Review

Determinants of Affective Member Commitment

Existing literature on co-operative member's commitment (e.g., Jiménez et al., 2010; Byrne & McCarthy, 2005; Foreman & Whetten, 2002) highlights that the affective dimension of commitment is based on emotional attachment to, and bond with the co-operative society. Thereby, affective commitment is not calculative in nature nor does it reflect a sense of obligation to stay

(Meyer & Allen, 1991). Instead, it reflects the member's desire to remain attached to this particular social entity – as the relationship feels good, brings a sense of belonging, and is satisfying (Byrne & McCarthy, 2005). Jussila, Byrne & Tuominen (2012) discussed affective member commitment under three major themes arising from the co-operative literature on affective commitment: (1) identification with the co-operative, (2) co-operative-based self-esteem, and (3) psychological ownership for the co-operative.

Identification with an organization occurs when an individual perceives an “overlap between their self-identity and the cognitive image they have constructed of an organization” (Scott & Lane, 2000). That is, what the member perceives the identity of their co-operative to be and what they think it should be has a significant effect on affective commitment. An important dimension of identity comparison for the co-operative member is their expectation that the co-operative is operating in their interests and is guided by fairness (Fulton & Giannakas, 2001) and what they then experience and perceive as the reality. According to Jiménez and colleagues (2010), members' perceptions of fairness and equality amongst the members of the co-operative are a source of emotional attachment to the co-operative. When the cooperative provides fair and equitable voting right to their members they see it as a defining characteristic of their co-operative society and will feel they belong to the collective and, thereby, want to stay. Co-operative literature stressed that particular organizational features make a difference in the development of identification and, thereby, affective commitment. The works of Birchall and Simmons (2005) suggest that people typically identify with other people who live in the same area. In other words, it can be reasoned that the smaller the area members inhabit, the higher the level of member identification with the co-operative and, thereby, the higher the level of member's affective commitment. This connection is supported by the work of Byrne and McCarthy (2005, 2012) who

find the increase of size (and distance) being negatively associated with commitment.

Further, Jiménez et al. (2010) found in their qualitative study that there is a connection between the sense of personal importance stimulated by the experiences as a member of co-operative and affective commitment towards the co-operative. In the context of co-operatives, positive self-defining experiences could be expressed for example in a member's evaluation: "I make a difference in this co-operative" or "I am an important member of this co-operative". It is such perception of personal importance that is seen as being positively associated with the desire to stay in the co-operative (Jiménez et al., 2010). Byrne and McCarthy (2005) also see a positive relationship between the extent the co-operative provides the member with a helping hand in times of trouble (i.e., organizational support) and affective commitment (cf. Craig, 1980). As the co-operative demonstrates support for the members, they are likely to believe that they count and are important in this organization. This is consistent with the findings of Lee (2003) on the connection of perceived organizational support and organization-based self-esteem.

Vande Walle et al., 1995 found in their research on housing co-operatives that the resident's affective commitment is promoted by the resident's feelings of ownership for the co-operative. This connection can be explained by the fact that the target of affective commitment in co-operative has become important to the member as the member has come to feel the co-operative as part of the self. Importantly, it is not necessarily the co-operative as a social entity that is the target of psychological ownership. Instead, it may be the co-operative organization as a whole or any material and immaterial dimensions or parts of the organization that is the target of a sense of possession, leading to a desire to maintain a relationship with the co-operative. According to Jiménez et al. (2010), affective commitment increases as members see the governing body

truly representing their interests. It is under these conditions that the member will perceive as having control over the co-operative. Jiménez et al., (2010) also sees affective commitment partly resulting from knowledge provided by the co-operative to the members. According to Jussila and Tuominen (2010), a sense of ownership can only develop if the members recognize the co-operative as their own, come to know it intimately, and realize its meaning. Co-operative literature suggests that the more transactions take place face-to-face, the more knowledge and understanding of the co-operative, the stronger psychological ownership, and the stronger affective commitment. It has also been noted by (Craig, 1980; in Byrne & McCarthy, 2005) that there is a positive relationship between the extent to which the co-operative educates the members and their affective commitment. Byrne and McCarthy (2005) also report a positive relationship between member's investment of their selves (identity, skills, and intellect) in the co-operative organization and affective commitment. Again, the member's proprietary attachment for the co-operative develops in part through the investment of personal resources (time, intellect, creative juices) into the co-operative. Further, according to Fulton and Adamowicz (1993) there is a connection between age and commitment. That is, older members may want to stay in the co-operative organization due to a sense of and pride in ownership as they have (over time) either participated in the original organization and development or in major restructuring activities of the co-operative. The willingness to stay stems from the member's sense of control over the co-operative, intimate knowledge of the co-operative organization, and investment of the self into it.

Determinants of Continuance Member Commitment

Continuance commitment reflects the member's relationship with the co-operative that is anchored in their 'need to be' attached to that particular organization as an outgrowth of the losses that would be incurred by organizational separation,

or as a way of preserving accumulated benefits (cf. Mayer & Allen, 1991). Continuance member commitment is defined as a variable that captures the extent to which the member is likely to give a positive answer to the question: “*Will co-operative membership (patronage) provide me with more value (rewards minus costs) than what can be achieved by shifting membership (patronage) to some other organization?*” The source of member commitment must be one that makes a distinction between the co-operative and alternative organizations (e.g., IOFs). Different kinds of features that appeal to members and differentiate the co-operative may be the source of member commitment (Fulton, 1999).

Financial benefits

Fulton and Adamowicz (1993) among others find that co-operative patronage is strongly influenced by economic factors. Also Österberg and Nilsson (2009) state that good financial results in the member enterprises are expected to result in commitment. Price is the most obvious determinant of the focus of action as people are expected to choose the organization that has the best price to offer (Fulton, 1999). Fulton and Giannakas (2001) argued that member commitment is likely to be low when the co-operative is unable to maintain production efficiency. This is because higher costs raise prices regardless of the objective pursued by the co-operative. Further, as Fulton and Adamowicz (1993) note, member commitment can also be increased via the sharing of profits. The share of the cooperative profit as dividends or patronage refunds increases member's financial benefits, which an IOF cannot deliver as the dividends go to external shareholders.

Qualitative product and service

Quality products and services are typically expected from most organizations and, are critical sources of continuance commitment. Most cooperatives provide quality services to the members that can result in higher profits for the individual farm enterprise. One such example is the rental machinery from the cooperative against

reasonable and fair prices. Another can be market or technical information on farming practices. These services can be highly appreciated by the members, which can result in higher commitment. Furthermore, when leaving the cooperative, the farmer can no longer use these services against reasonable and fair prices, which can increase the continuance commitment. Fulton and Giannakas (2001) propose that member commitment is affected by the extent to which co-operative develops a reputation as an efficient agent for the members. To earn such reputation, co-operatives should not only choose the objective of maximizing member surplus, but also educate the members and communicate clearly and repeatedly about the benefits being offered to members, and how they are delivered (Fulton & Giannakas, 2001).

Social and psychological benefits

Member may consider particular social relations in the co-operative personally rewarding, thereby increasing the (relative) value of membership. Some of the internal value could be related to the learning experiences typically offer by co-operatives (Byrne & McCarthy, 2005). It is believed that learning experiences may provide satisfaction by providing the member with stimuli and a sense of competence (cf. Jussila & Tuominen, 2010). Further, Fulton (1999) notes that when non-economic factors are in the forefront; organizations with even poor economic performance (i.e., delivering lower economic value) may survive and even thrive. In other words, when the non-economic factors are strong, members may patronize the co-operative even if the price or service of the co-operative is not as good as the ones of alternative firms.

Expected return on resource investment

Extant literature (Craig, 1980; in Byrne & McCarthy, 2005) identify that the more the members invest their own resources (money, time, skills, care, intellect, creativity, etc.) in the co-operative, the more committed they will be to the co-operative in the continuance sense, since they would clearly expect the benefits in the

future to be worth their investment. The relationship could also be other way, since the more future benefits (utility) the member's project in the co-operative, the more they may invest in the co-operative, enhancing their continuance commitment. If members get involved in cooperative investments they can become more committed, because part of their income is linked to the financial performance of the cooperative and its investments (Trechter et al., 2002). They can also become more concerned and dependent about decisions related to investments, which can result in more participation. Nilsson & Ollila (2009) suggest that an important factor in making members willing to invest is their level of involvement in the whole decision-making process surrounding the investments. Providing equity to the cooperative can also give the members a higher feeling of ownership of the cooperative, which on its turn can increase commitment.

Income from the Cooperative

Fulton and Adamowicz (1993) see a relationship between the percentage of income of a member's total income originating from the co-operative and the member's continuance commitment. In other words, when the co-operative provides a greater share of a member's income; the member's prefer staying with the co-operative. When members derive a large proportion of their income from the co-operative, they may project that this trend will continue in the future, and may become risk-averse with respect to their membership. This is consistent with prospect theory (Kahneman & Tversky, 1972). This risk-aversion may also mean that they would try to increase their engagement with the co-operative rather than taking risk with new ventures or new organizations with an uncertain income stream.

Size of the co-operative

Extant co-operative literature (e.g., Fulton & Giannakas, 2001) maintains the idea that the smaller and the more local is the co-operative, the higher is continuance commitment. The reason is that in smaller co-operatives, it is easy for the

members to viscerally see how the co-operative is acting, and can act, as their agent. Members are able to map how their wishes and objectives are directly translated into action at the organizational level. To us it seems likely that in smaller co-operatives more members are directly involved in the operation or management of the co-operatives, since smaller co-operatives may not be able to afford hired professional managers. Again, this provides more opportunities for members to reduce the gap between principal and agent. This increases transparency in the calculation of costs and benefits, making it easier for the co-operative to earn the reputation of an efficient agent of the members' interests and, thereby, increasing members' continuance commitment.

Heterogeneity of member base

It has also been argued that heterogeneity in membership is an important predictor of members' continuance commitment. Heterogeneity could be associated with size (in smaller co-operatives there is more homogenous membership), but not necessarily. In different co-operatives operating in different contexts there may be several sources of heterogeneity in terms of the members' age, gender, religion, profession, etc. The connection between heterogeneity and continuance commitment is, according to Fulton and Giannakas (2001), that as members become more diverse, it is increasingly difficult for co-operatives to demonstrate that they are operating in the best interests of all the members and, thereby, the member's continuance commitment decreases.

Determinants of Normative Member Commitment

A person's family history can have influence on the level of member commitment today (Trechter et al., 2002). This is most often described as normative commitment that expresses itself in a sense of obligation or duty that implies certain behaviour as result of a member's personal background or situation (Jimenez et al., 2010). A member can feel a sense of obligation due to the

fact that he inherited the farm from his father who has always been a committed member of the cooperative (Jimenez et al., 2010). He views his membership as a traditional norm.

Trust

Members that have trust in their cooperative will have a positive influence on their willingness to participate in the governmental process of the cooperative (James & Sykuta, 2006; Barraud-Didier et al., 2012). Also expertise is an important factor in generating trust (Moorman et al., 1993). When the cooperative shows a high amount of expertise, the members will show more trust towards them. Douchette (1997) suggest that member commitment can be influenced by trust and information exchange. When there is no trust, the members will not be willing to share sensitive information.

Role in community

Members of cooperatives that are active in and contribute to the (local) community show a higher commitment level (Fulton 1993). Involvement in the local community is something which cooperatives use to differentiate themselves from an IOF (Fulton, 1999). In a research on Canadian cooperatives, Fulton & Kettilson (1992) found that cooperatives contribute to the social well-being and feeling of community of people living in small agricultural villages. They furthermore found that cooperatives are important in ensuring a continued social and economic existence of small communities. Based on evidence from a credit union who was involved in local initiatives aimed at creating local employment and local housing, McCarthy & Ward (2001) suggest that these actions will result in increased membership, increased use of the services, and greater desire to participate in the operations of the credit union.

Networking and relationships

A cooperative is a social community where long-term relationships, trust, shared identity, and informal information exchange among members are present (Bijman, 2005). Members see each other as colleagues and can develop strong social

ties with one another. The network character of the cooperative gives members the possibility to exchange information with each other. Farmers try to satisfy social goals in particular through interactions with other members (Hansen et al., 2002). The cooperative provides a platform to socialise with people with the same interests, beliefs and goals. Gruen et al. (2000) suggests that members who interact with each other develop obligations towards the group and a sense of belonging. They suggest that people would therefore like to remain in the organisation

Participation in decision-making

The cooperative is collectively owned by the members and it is jointly controlled through a democratic decision-making process. The democratic nature of the cooperative and the voice that members have in running the organisation are likely to lead to greater member commitment (Trechter et al., 2002). The most common ways in which members can participate in the governance of the cooperative are by attending annual meetings, serving on a committee, serving on the board of directors, or (if present) serving in the member council. It is important that members are involved in the governance of the cooperative, because when they are not involved they can lose their cooperative identity and become less committed (Nilsson & Ollila).

The concept of commitment is usually divided into three different components. Most common is the division made by Meyer & Allen (1991) which forms the theoretical framework of this study. Meyer and Allen's theory indicated that there are three "mind sets" which can characterize commitment to the organization:

Affective (Attitudinal) Commitment

The affective component corresponds to an emotional attachment, a feeling of belonging, and a wish to remain a member of the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This

employee commits to the organization because he/she "wants to". This commitment can be influenced by many different demographic characteristics: age, tenure, sex, and education but these influences are neither strong nor consistent. The problem with these characteristics is that while they can be seen, they cannot be clearly defined.

Continuance (Calculative) Commitment

The continuance component corresponds to a lack of choices other than to remain a member of the organization when leaving it would entail costs and the loss of acquired advantages (Meyer et al., 2002). An individual may commit to the organization because he/she perceives a high cost of losing organizational membership (cf. Becker's 1960 "side bet theory" Things like economic costs (such as pension accruals) and social costs (friendship ties with co-workers) would be costs of losing organizational membership. But an individual doesn't see the positive costs as enough to stay with an organization they must also take

into account the availability of alternatives (such as another organization), disrupt personal relationships, and other "side bets" that would be incurred from leaving their organization. The problem with this is that these "side bets" don't occur at once but that they "accumulate with age and tenure".

Normative (Ideological) Commitment

The individual commits to and remains with an organization because of feelings of obligation, the last component of organizational commitment. These feelings may derive from a strain on an individual before and after joining an organization. For example, the organization may have invested resources in training an employee who then feels a 'moral' obligation to put forth effort on the job and stay with the organization to 'repay the debt.' It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization.

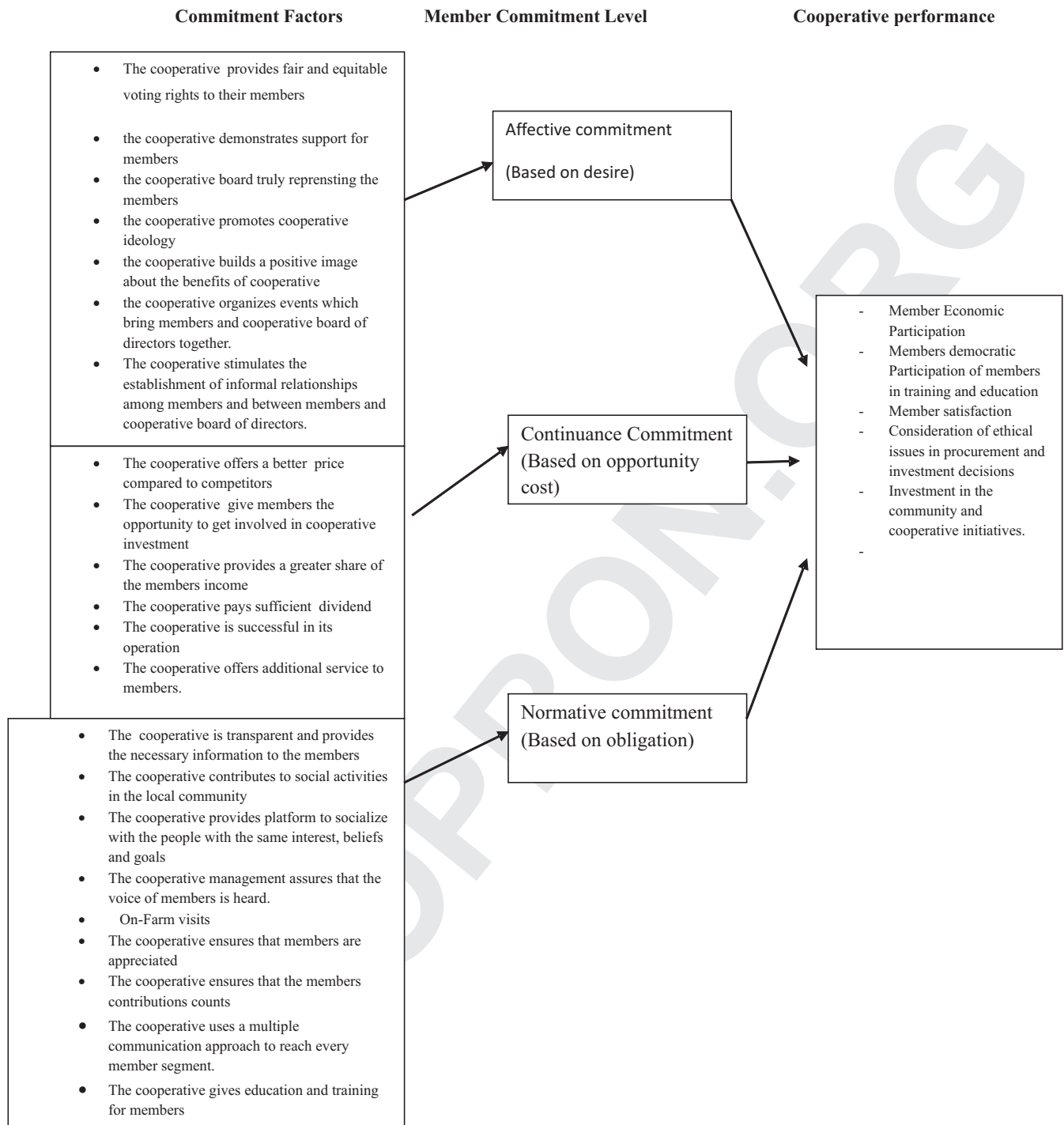


Figure 1: Framework on Operationalization of Study Variables

Gaps in Literature

Majority of past studies of various researchers on member commitment placed more emphasis on determinant factors influencing the commitment level of members and how to strengthen member commitment in agricultural cooperatives. However, there has been little research to investigate how committed the members are to their agricultural cooperatives; the influence of different member commitment dimensions on cooperative performance. There are so many documented studies on factors influencing member commitment among cooperative members but a good number of the studies were carried out side the shores of this country. Therefore, suggesting lack of adequate empirical studies on the factors that influences members' commitment level in the study area.

It is this gap found in literature that constitutes the core of this research problem. Therefore, this work seeks to fill the gap found, and this justifies the work as worth doing at this time that recent developments in agriculture have influenced commitment level of members to their cooperative and this in turn affects performance and sustainability of most cooperatives.

METHODOLOGY

In this section, the researcher provided the way he conducted his research, analysed and interpreted the data collected from the field.

Research Design

A research design offers a framework for collecting data and analysis of collected information (Alan and Emma, 2011). The study adopted a descriptive survey. Descriptive survey aims at collecting data on a given subject and describing it in a systematic manner according to Akuezulo et al (2003). This study therefore described the variables that enhances affective and continuance and normative member commitment and the extent they have helped in improving the performance of agricultural cooperatives.

Area of the Study

The study area is Anambra State. It is one of the 36 States of the Federal Republic of Nigeria.

There are 21 local governments in Anambra State. The Capital and the Seat of Government is Awka. Boundaries are formed by Delta State to the west, Imo State and Rivers State to the south, Enugu State to the east and Kogi State to the north. The population census indicates that Anambra State has a population of 4,182,032 (ranking 10th of the 36 States) made up of 2,174,641 males and 2,007,391 females which gives a ratio of 52% males and 48% females

With an annual population growth rate of 2.21 percent per annum, Anambra State has over 60% of its people living in urban areas making it one of the most urbanized places in Nigeria. Anambra state lies in the Anambra basin, home to a rich base of natural gas and crude oil (Oganiru Anambra 2012). It is also rich in other minerals. The economy of the state is characterized by primary production activities in Agriculture, manufacturing and commercial activities. Anambra State is made up of four agricultural Zones (AZs) – Aguata, Anambra, Awka and Onistha. There are 6 LGA's in Aguata AZ, 4 LGA's in Anambra AZ, 5 LGA's in Awka AZ and 6 LGA's in Onistha AZ.

Table 3.1 Local Government Areas in Anambra State by Agricultural Zones

S/N	ANAMBRA	AGUATA ZONE	AWKA ZONE	ONISTHA ZONE
1	Anambra West	Orumba South	Awka North	Ogbaru LGA
2	Anambra East	Orumba North	Awka South LGA	Idemili North LGA
3	Ayamelum LGA	Aguata LGA	Njikoka LGA	Idemili South LGA
4	Oyi LGA	Nnewi South	Dunukuofia LGA	Onistha North LGA
5		Nnewi North	Anaocha LGA	Onistha South LGA
6		Ihiala LGA		Ekwusigo LGA

Source: Field Survey Report, 2017

Population of the Study

Data generated from the office of the Divisional Cooperative Officer in Anambra State showed that there are 2171 active registered Farmers' Cooperative Societies in Anambra State as at December 2013 with the membership strength of 69,826 consisting of 32,040 males and 37,780 females. Three Local Government Areas considered the better agricultural oriented areas were selected from each Agricultural Zones to constitute the population.

Sample Size Determination and Sampling Procedure

For the purpose of this study, multi-stage sampling procedure was adopted for the selection of the

participants. In the first stage, two agricultural cooperatives were purposively selected from each of the three local government areas of the agricultural zones to get a total of 24 active registered agricultural cooperatives with a population size of 855 members. Taro Yamani formula (1967) was used to determine the number of members of the farmers' cooperative sample selected. This gave a sample size of 270. Then Bowlers formula was used to determine the proportion of the sample size allocated to each of the farmers' cooperative.

Sources of Data

The primary sources of data were generated through the administration of questionnaires structured to obtain responses from the respondents for the purpose of this work.

Secondary sources of data were sourced from the Internet, lecture notes, journal articles, and seminar papers. Others were from the office of the Anambra State Director of Cooperatives.

Description of Instrument for Data Collection

A Set of questionnaire containing three sections was used for the study. Section One captures the personal characteristics of the respondents; Section Two captures the major factors that influences the commitment level of members. Section Three captures the commitment level of the cooperative members, and section four captures the indicator of cooperative performance and how well the cooperatives are performing. The independent variable, in this study which is member commitment was measured using Organizational Commitment Questionnaire developed and validated by Meyer and Allen (1997).

The items of the questionnaire were adapted to the farmer-cooperative relationship. The non- financial performance indicators developed CPCCU (2013) was used to measure the cooperative performance.

Method of Data Analysis

The qualitative and quantitative data obtained through semi-structured questions and interviews were analyzed using both qualitative and quantitative analysis tools. To analyses the data, Statistical Package for Social Science (SPSS) software was used. While the qualitative data was analyzed through mean, percentage, interpretation and conceptual generalization, the quantitative data was analyzed by inferential statistics. Multiple regression models were employed to identify the determinant variables of members' commitment to their cooperatives. One sample T-test was employed to test the members' commitment level. Finally, Pearson correlation was used to assess whether there is a relationship between the affective, continuance and normative commitment of the members with their cooperatives performances.

DATA ANALYSIS

Personal Characteristics of Cooperative Members

Table 4.1 Distribution of Respondents Personal Characteristics

S/N	Variables	Frequency	Percentage %
1	Gender		
	Male	210	77.8
	Female	60	22.2
2	Age		
	<30yrs	16	5.8
	31-- 40yrs	34	12.5
	41—50yrs	169	62.9
	>50yrs	51	18.8
	Mean age = 45.3 years		
	Educational level		
3	Primary Education	89	32.9
	Secondary Education	121	44.8
	Tertiary Education	15	5.6
	No Formal education	45	16.7
	No of Yrs of membership		
4	1yr-10yrs	89	33
	11yrs-20yrs	101	37.4
	21yrs-30yrs	50	18.5
	>30yrs	30	11.1
	Mean = 12.3years		
	Cooperative Membership		
5	One	68	25.2
	Two	197	73
	More than two	5	1.8
	Percentage of monthly income from the cooperative		

6	Less than 10%	27	10
	Between 10-20%	213	78.9
	Between 21-30%	9	3.3
	Between 31-40%	7	2.6
	Between 41-50%	7	2.6
	Above 50%	7	2.6
	Serving on Management Committee in the past		
	Yes	43	15.9
	No	227	84.1
	Access to cooperatives training and education		
	Yes	115	42.6
	No	155	57.4

Source: Field Survey, 2017

Table 4.1 summarizes the respondents' personal characteristics. Majority (77.8%) of the sampled respondents were males. The mean age of the respondents is 45.3yrs. The data on the educational status of the participants showed that 44.8% had minimum educational attainment of Secondary education. This suggests that the majority are literate enough to understand the questionnaire questions and the instructions. The observed data on membership in the cooperative showed a mean year of membership of 12.4yrs. Majority of the respondents 73% belong to two different cooperatives, 25.2% belong to only one cooperative while 1.8% of the respondents belong to more than two cooperatives. Data on monthly income shows that 10% -20% of the monthly income of the majority of the respondents (78.96) are from the cooperative, they do not depend on the cooperative enterprise for their monthly income. This suggests that majority of the respondents commitment to the cooperative may be doubtful. Majority of the members had never served in the management committee in the past time, while 57.4% of the respondents did not have any training and education about cooperatives, indicating that most of the respondents are not knowledgeable about cooperative.

Emotional Attachment (Affective Commitment) of members

Table 4.2 Distribution of Respondents by Level of Affective Commitment to their Cooperative

S/N	Affective Commitment Items	N	Mean	SD
1	I feel like I am part and owner of the cooperative	270	2.05	0.83
2	I believe that I am benefiting from my cooperative	270	2.01	0.92
3	This co-operative has a great deal of personal meaning for me.	270	2.39	0.80
4	I really care about the future fate of my cooperative	270	2.28	0.86
5	I talk positive things about my cooperative to friends.	270	2.34	0.75
6	I encourage other people to become a member in my cooperative.	270	2.11	0.87

Source: Field Survey, November 2017 (>3.0-high commitment; 2.50-2.49 low commitment; < 1.99 = no commitment). *The cut-off score is 2.50 which is the lowest limit of the means for members' level of commitment)

Table 4.2 depicts the descriptive statistics of the agricultural cooperative member's affective commitment to their cooperatives. Respondents were asked whether they would feel like they are part and owner of the cooperative, believe that they are benefiting from their cooperatives, and believe the cooperative has a great deal of personal meaning to them, and care about the future late of their cooperatives. In addition, they were also asked to such specific issues as whether they would talk positive things about their cooperative to friends and encourage other individuals to become members in cooperatives. The mean score for all items shown in the table are

below 2.5. This suggests that the respondents do not have a positive attitude towards their cooperative, feeling of ownership, the cooperative has no great deal of personal meaning to them, do not care about the cooperative and encourage non-members to become members. The members do not have feeling of identification with the cooperative, are not emotionally attached to the cooperatives, the cooperative is not very important to them; members stay with the cooperative because they have no other choice, and are not bound by the principles of cooperative.

Members Desire to Continue (Continuance Commitment) with the Cooperative

Table 4.3 Distribution of Respondents by Level of Continuance Commitment to their Cooperative

S/N	Continuance Commitment Items	N	Mean	SD
1	I feel I have too few options to consider leaving this cooperative.	270	2.47	0.88
2	One of the negative consequences of leaving this cooperative would be the scarcity of available alternatives.	270	2.71	0.67
3	It would be very hard for me to leave this cooperative now even if I wanted to.	270	2.17	0.83
4	Too much in my life would be disrupted if I decided I want to leave this cooperative now.	270	2.28	0.86

Source: Field Survey, November 2017 (>3.0-high commitment; 2.50 -2.99 moderate commitment; 2.00 -2.49 low commitment; < 1.99 = no commitment). *The cut-off score is 2.50 which is the lowest limit of the means for members' level of commitment

Table 4.3 indicates that the members exhibited a low level of continuance commitment. This implies that the members seem not to feel more attached to the cooperative because of "need".

This may be as a result of lack of better opportunities for the members engaging with their co-operatives in economic level. The cooperative do not offer them opportunities to get involved in cooperative investment hence they do not feel they would lose anything valuable by leaving the cooperative. The farmers remain with the cooperative because there are not many other opportunities outside of the cooperative.

Obligation (Normative Commitment) of Members

Table 4.4 Distribution of Respondents by Levels of Normative Commitment to their Cooperative

S/N	Normative Commitment Items	N	Mean	SD
1	I feel that I owe this cooperative quite a bit because of what it has done for me.	270	2.11	0.87
2	I feel I would be letting other members down if I wasn't a member of this cooperative.	270	2.44	0.81
3	I am loyal to my cooperative because my values are largely its values.	270	2.30	0.76
4	My cooperative has a mission that I believe in and am committed to.	270	2.39	0.71
5	I feel it is 'morally correct' to dedicate myself to my cooperative.	270	2.25	0.64
6	My cooperative deserves my loyalty because of its treatment towards me.	270	2.48	0.74

Source: Field Survey, November 2017 (>3.0-high commitment; 2.50-2.99 moderate commitment; 2.00 -2.49 low commitment; < 1.99 = no commitment). *The cut-off score is 2.50 which is the lowest limit of the means for members' level of commitment)

The table 4.4 indicated that the members' rates low on normative commitment. The members do not feel that the cooperatives have spent either too much time or money in developing and training them, improved their status much or given them much over the years, their opinion were not appreciated thereby, they do not feel an obligation to stay with the cooperative. The members were not morally obliged to remain with the cooperative and strengthen their belief in the value of remaining loyal to the cooperative. Members' stay with the cooperative is not out of obligation may be because there are not many opportunities outside.

Determinants Factors of Members' Emotional Attachment (Affective commitment) to the cooperative
Table 4.5 Regression Results of Factors on Affective Commitment of Member to their Cooperatives

Independent variables	Beta	Std. Error	Sig.
(constant)	.134	.143	.238
Fair and equitable voting rights to members	.201	.068	.002***
Demonstrating support for members	.139	.044	.002***
Building a positive image about the benefits of cooperative	.046	.045	.000***
Access to cooperative learning and education	.291	.081	.001***
Member active participation in decision making	.100	.805	.000***
Offers a better price compared to competitors	.009	.090	.917
Income from the cooperative	.003	.001	.311
Opportunity to get involved in cooperative investment	.032	.095	.732
Attractive return from investments	.001	.001	.507
Offers additional qualitative services	.057	.095	.549
Transparent and provides the necessary information to the members	-.044	.074	.559
Contributes to social activities or projects in the local community	-.039	.072	.589
On-farm visits	.014	.098	.885
Opportunity for members to interact with each other	.090	.068	.189
Frequent interaction of members with management committee	.022	.036	.538
Using multiple communication approach	-.122	.078	.117
R2 .678			
Adjusted R2 .651			
***, ** and * indicates significant at 1%, 5% and 10% respectively			

Source: computed from the researcher survey data, 2017.

DECISION: The results from Table 4.5 show that five factors were found as the determinants of members Affective Commitment. These are fair and equitable voting rights to members, demonstrating support for members, promotes cooperative ideology, building a positive image about the benefits of cooperative and involving members in the governance of the. The most important factor affecting members' affective commitment is the cooperatives effort in promoting cooperative ideology and it has a coefficient of 0.291. It is significant at 1% and has a positive effect on members' affective commitment. Fair and equitable voting rights to members was also found to be the second most important determinant with a coefficient of 0.201 and it has a positive significant impact on members' affective commitment with their cooperatives. When the cooperative provides fair and equitable voting right to their members they see it as a defining characteristic of their co-operative and will feel they belong and thereby,

want to stay. Fair and equitable voting right to members is a source of emotional attachment to the co-operative. In addition, cooperative demonstrating support for members was found to be the third most important for member's affective commitment with their cooperatives and it has a coefficient of 0.139 and was found to be significant at 1%. This result indicates that as the co-operative demonstrates support for the members, they are likely to believe that they count and are important in this organization and will likely desire to stay. Furthermore, building positive image about the benefits of the cooperative has a coefficient of 0.046 and significant at 1% showing that members' feeling of ownership of their cooperative promotes their affective commitment.

Finally, members level of involvement in the decision making process give the members a higher feeling of ownership of the cooperative, which on its turn can increase their affective commitment.

Determinants Factors of Members' Loyalty (Continuance commitment) to the cooperative

Table 4.6 Regression Results of Factors on Members' Continuance Commitment

Independent variables	Unstandardized Coefficients		
	Beta	Std. Error	Sig.
(constant)	.042	.245	.823
Fair and equitable voting rights to members	.078	.114	.341
Demonstrating support for members	.079	.057	.116
Building a positive image about the benefits of cooperative	.088	.121	.438
Access to cooperative learning and education	.142	.117	.235
Member active participation in decision making	.381	.112	.001***
Offers a better price compared to competitors	.274	.127	.064***
Income from the cooperative	.348	.076	.001***
Opportunity to get involved in cooperative investment	.002	.014	.026**
Attractive return from investments	.339	.177	.056*
Offers additional qualitative services	.199	.076	.003*
Transparent and provides the necessary information to the members	-.096	.115	.405
Contributes to social activities or projects in the local community	-.087	.147	.473
On-farm visits	.049	.161	.742
Opportunity for members to interact with each other	.145	.113	.141
Frequent interaction of members with management committee	.006	.147	.965
Using multiple communication approach	.042	.057	.648
R2 .573			
Adjusted R2 .531			
***, ** and * indicates significant at 1%, 5% and 10% respectively			

Source: computed from the researcher survey data, 2017.

DECISION: The multiple regression results presented in Table 4.6 indicate that six factors were found as the determinants of members' continuance commitment to their cooperative in the study area.

Financial benefits are found to be most important in explaining the continuance commitment of the members to their cooperatives. They include: offering a better price for members' products compared to competitors, opportunity to get involved in cooperative investment, cooperative providing a greater share of the members income, paying sufficient dividend, and offering additional services to members. This indicates that when cooperatives offer a better price for member's products compared to competitors it has a positive impact on member's continuance commitment. As the members get share of the cooperative profit as dividends or patronage refunds it increases their continuance commitment.

Again, cooperative offering qualitative products & services also have a significant influence on the continuance commitment of members. When cooperatives provide additional quality services to their members these services can be highly appreciated by the members, which can result in higher continuance commitment.

Return from Investment and income from cooperative have a significant influence on the continuance commitment of members. When members get involved in cooperative investments they can become more committed, because part of their income is linked to the financial performance of the cooperative and its investments. More so, when the co-operative provides a greater share of a member's income; the member's prefer staying with the co-operative. Finally, participation in decision making also influences member's continuance commitment. An important factor in making members willing to invest is their level of involvement in the whole decision-making process surrounding the investments which give the members a higher feeling of ownership of the cooperative, which on its turn increases commitment.

Determinant Factors of Members' Obligation (normative commitment) to the cooperative

Table 4.7 Regression Results of Factors on Normative Commitment

Independent variables	Beta	Std. Error	Sig.
(constant)	-.512	.251	.036
Fair and equitable voting rights to members	.142	.125	.241
Demonstrating support for members	.146	.128	.253
Building a positive image about the benefits of cooperative	.063	.127	.582
Access to cooperative learning and education	.005	.027	.016*
Member active participation in decision making	-.006	.057	.922
Offers a better price compared to competitors	-.049	.142	.685
Income from the cooperative	.076	.112	.401
Opportunity to get involved in cooperative investment	.119	.128	.253
Attractive return from investments	-.169	.118	.155
Offers additional qualitative services	.304	.179	.084*
Transparent and provides the necessary information to the members	.501	.156	.001***
Contributes to social activities or projects in the local community	.003	.071	.962
On-farm visits	.391	.071	.000***
Opportunity for members to interact with each other	.307	.156	.050**
Frequent interaction of members with management committee	.281	.142	.002***
Using multiple communication approach	.272	.112	.016**
R2 .517			
Adjusted R2 .498			
***, ** and * indicates significant at 1%, 5% and 10% respectively			

Source: computed from the researcher survey data, 2017.

As shown in Table 4.7, seven factors significantly determined members' normative commitment in the cooperatives. Among these, cooperative transparency and provision of necessary information to the members is the most important significant variable with a coefficient value of 0.084 and has a positive effect on normative commitment. Cooperative transparency and provision of necessary information to the members will have a positive influence on their willingness to participate in the governmental process of the cooperative thereby making them to develop obligation towards the cooperative. Networking and relationships were also significant at 5% level of significant and it is also an important variable explaining member normative commitment with a coefficient value of 0.307. This implies that members who interact with each other develop obligations towards the group and a sense of belonging. In addition, When cooperatives are active and contribute to the local

community it will result in increased membership, increased use of the services, and greater desire to participate in the operations of the cooperative, the members will have greater desire to participate in the operations of the A cooperative using different mediums or communication techniques to cooperative. Communicate with its members, the members with the cooperative and the members with each other have influence on the commitment level of members. Good communication creates honesty, integrity, openness and leads to higher normative commitment.

Members who received cooperative education and training tend to be more committed towards the cooperative. Members' access to learning and educational experiences has a positive effect on commitment, because members can better understand the organizations values and goals and how this affects them. Participation in decision making also influences the members' normative

commitment to their cooperatives. If members are allowed to participate into the decision-making they may be more committed to the cooperative and have more trust in the management committee.

Members' Satisfaction with their Cooperative Performance

Table 4.8 One Sample Test for Members' Satisfaction Level with the Cooperative Performance

Test Value = 3						
95% Confidence Interval of the Difference						
	t	df	Sig.(2-tailed)	Mean Difference	Lower	Upper
Member economic involvement	2.032	269	.043	.15556	.0049	.3062
Consideration of ethical issues in procurement and investment decisions	1.161	269	.247	.08889	-.0619	.2396
Participation of members in training	-4.984	269	.000	-.31852	-.4443	-.1927
Member need/expectation	-9.635	269	.000	-.52222	-.6289	-.4155
Member democratic participation	-13.078	269	.000	-.59630	-.6861	-.5065
Investment in community and co-operative initiatives	-5.592	269	.000	-.35185	-.4757	-.2280

Source: computed from the researcher survey data, 2017

The t-test result in table 4.8 shows that members were dissatisfied with most aspects of the cooperatives' performance. The mean difference in cooperatives members satisfaction level with the participation of members in training, satisfaction of member need/expectation, Consideration of ethical issues in procurement and investment decisions and Investment in community and co- operative initiatives were negative with test value of (-31852), (-52222), (-.59630), 35185) respectively. The two tailed sig-t (000), (000), (000) and (000) are significantly less than the mean of test value (3-neutrally satisfied). Therefore, it can be concluded with 95% confidence level that cooperative members are dissatisfied (i.e., less-than neutrally satisfied) with the participation of members in training, satisfaction of member need/expectation, Consideration of ethical issues in procurement and investment decisions and Investment in community and co- operative initiatives. This implies that agricultural cooperatives do not provide opportunities for their members to be trained and educated as learning experiences provide satisfaction by providing the member with stimuli and a sense of competence. Members' needs and expectations were not adequately met; satisfied members are likely to remain and may also recommend the cooperative to others. Members were given little opportunity to participate in the decision- making processes. Member's involvement in the decision-making process gives them a higher feeling of ownership of the cooperative, which increases member's commitment level. The cooperatives contributed little to the local communities and this decreases the members desire to participate in the operations of the cooperative. The mean difference for the member economic involvement (.15556) and consideration of ethical issues in procurement and investment decisions (08889) are positive, therefore we can conclude that the agricultural cooperative members are neutrally satisfied with the extent of their economic involvement in their cooperative and the way the cooperative carry out its activities in ethical manner.

Influence of Member Commitment on the Cooperative Performance

Table 4.9 Distribution of the Influence of Member Commitment on the Performance of the Cooperative

		Cooperative Performance	Affective	Continuance	Normative
	Pearson Correlation	1	.861**	.793**	.837**
Employees Performance	Sig.(2-tailed)		.000	.000	.000
	N	270	270	270	270
	Pearson Correlation	.861**	1	.756**	.812**
Affective	Sig.(2-tailed)	.000		.000	.000
	N	270	270	270	270
	Pearson Correlation	.793**	.756**	1	.748**
Continuance	Sig.(2-tailed)	.000	.000		.000
	N	270	270	270	270
	Pearson Correlation	.837**	.812**	.748**	1
Normative	Sig.(2-tailed)	.000	.000	.000	
	N	270	270	270	270

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.9 presents the result of the influence of member commitment (Affective Commitment, Continuance Commitment, and Normative Commitment) on the performance of the cooperatives. Table 4.5 shows that for HO, $r = 0.861^{**}$ $p = 0.000$, this shows that member's affective commitment is significantly related with the cooperative performance at the 0.01 level of significance; therefore our second null hypothesis is rejected. For the third hypothesis, $r = 0.793$ $p = 0.000$, showing there is a significant positive relationship between Member's Continuance Commitment and cooperative performance, therefore our third null hypothesis is rejected. For the fourth hypothesis $r = 0.837^{**}$ $p = 0.000$, this shows that there is a significant positive relationship between Member's Normative Commitment and cooperative performance, therefore our fourth null hypothesis is rejected. This implies that member's affective commitment contributes 86% to cooperative performance; member's continuance commitment contributes 79% to cooperative performance, while member's normative commitment also contributes to 83% to cooperative performance. The implication of this is that, the result showed that members are highly committed to their cooperative when they are satisfied with the cooperative performance.

Summary of Findings

Findings on personal characteristics of the respondents revealed that the mean age of respondents is 45.3yrs, most of the respondents had Secondary education suggesting they can understand the questionnaire questions and the instructions. The respondents mean year of membership of the agricultural cooperative is 12.4yrs. The respondents get between 10- 20% of their monthly income from the agricultural cooperative showing that they do not depend on the cooperative enterprise for their monthly income

therefore their commitment to the cooperative may be doubtful. Majority of the members had never there served in the management committee in the past time, while more than half of the respondents have never received any training and education about cooperatives, indicating that most of the respondents are knowledgeable about cooperative.

Findings reveal that the members do not have feeling of identification, ownership with the cooperative and are not emotionally attached to the cooperatives. The members do not have a positive attitude towards their cooperative; the cooperative has no great deal of personal meaning to them, the cooperative is not very important to them. Members stay with the cooperative because they have no other choice; and are not bound by the principles of cooperative.

Findings also revealed that the members exhibited a low level of continuance commitment. The members seem not to feel more attached to the cooperative because of "need". The reason could be that members were not given better opportunities to participate or benefit economically from the cooperatives. The members do not feel they would lose anything valuable by leaving the cooperative. The farmers remain with the cooperative because there are not many other opportunities outside of the cooperative.

Again, findings indicated that the members do not feel that the cooperatives have made significant contribution or improved their status much or given them much over the years, they had not invested much emotionally, socially, and economically in the cooperative thereby, they do not feel an obligation to stay with the cooperative. The members were not morally obliged to remain with the cooperative and strengthen their belief in the value of remaining loyal to the cooperative. Members' stay with the cooperative is not out of obligation may be because there are not many opportunities outside.

Fair and equitable voting rights, demonstrating support for members, promotes cooperative Ideology, building a positive image about the benefits of cooperative and involving members in the governance of the society were found to significantly influence members affective commitment with their cooperatives. Offering a better price compared to competitors, opportunity

to get involved in cooperative investment, cooperative providing a greater share of the members income, paying sufficient dividend, offering additional services to members and participation in decision making were found to significantly influence members' continuance commitment with their cooperatives. Access to cooperative learning & education, transparent and provides the necessary information to the members, on-farm visits, opportunity for members to interact with each other, frequent interaction or members with management committee, using multiple communication approach were found to significantly influence members affective commitment with their cooperatives.

Findings revealed that members were dissatisfied with most aspects of the cooperatives performance. Cooperatives are owned by their members, the easiest way to measure how well a co-operative is performing is ask their members. Since the members are dissatisfied with most aspect of the cooperative performance it then means that the cooperatives are not performing very well.

Finally, the findings revealed that there is a strong relationship between the member commitments and the cooperative performance. It shows that members are highly committed to their cooperative when they are satisfied with the performance of the cooperative.

Conclusion

The members do not feel a sense of ownership towards the cooperative and are not emotionally attached to the cooperative. The members remain with the cooperative because there are not many other opportunities outside of the cooperative. The members do not have a strong sense to loyalty to the cooperative. The overall cooperative performance is very poor. Strong correlation between member commitment and cooperative performance was also observed. It is therefore concluded that level of the members' commitment influence the cooperative performance. The issue of poor performance of the cooperatives should be addressed by strengthening the commitment level of the members. Agriculture is the bedrock of the Nigerian's economy. In recent times the government, non-governmental organizations and donor agencies have encouraged and promoted formation of cooperative as

prerequisite for accessing agricultural support services.

Effective processing and marketing of farm products can be achieved by collective action but farmers have to strongly commit to their cooperative to let it perform well.

This study reemphasized that member commitment to their agricultural cooperative is crucial to cooperative functioning, as well as to achieve the objectives of the cooperative. The study would also lead to future research on member commitment in cooperative as well as offer practical guidelines to cooperative managements on developing and enhancing their members' commitment and thereby ensuring cooperative growth and survival in Anambra State.

Recommendations

The findings of the study revealed that the members level of commitment influence cooperative performance. The following recommendations were made to enhance cooperative performance through increased commitment level. It is advisable that cooperatives offer attractive prices and high quality improving inputs at a subsidized price to their members to differentiate the cooperative from the alternative organizations to have and keep farmers committed. The cooperative should offer members investment opportunities to create added value for the members. Cooperative should provide more avenues for member's investment of their identity, skills, and intellects to inculcate cooperative ideology in them and enable them build a sense of ownership towards the cooperatives. Therefore, enabling members to better understand the benefits gained from collective action which will in turn lead them to be committed thereby improving the performance of the cooperative.

Mutual trust should be improved between members and the management by providing necessary information to members. This enables the members to access information about their cooperatives easily. Hence, this creates transparency and enhances the trust of members on the management. Personal contact should be maintained through activities and member farm visits to promote member's sense of belonging and identification that increases their involvement in cooperative activities; their willingness to pursue

cooperative goals and their desire to remain with the cooperative.

Members should be involved in the different decision making process. This will enable them to freely express their ideas during meetings, develop a feeling that the cooperative problem is their own and have a contribution towards the cooperative's decision making process.

Continuous training and education should be given to the farmers to stimulate their interests and increase their commitment to the cooperative.

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**RISK REDUCTION AND PERSONAL SAFETY AMONG SELECTED
COOPERATIVE SOCIETIES IN OGUN EAST SENATORIAL DISTRICT OF
NIGERIA**

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Abstract

This research examined the risk reduction and personal safety among business members of cooperative societies in Ogun East senatorial district of Nigeria. Specifically, it explored the effect of environmental risk and psychophysical risk on the personal safety of the selected employees. The methodology employed in this study is the descriptive survey design. The cross-sectional data used in this study were collected from primary source through the use of a validated and reliable questionnaire. The population of this study was one hundred and fifty three (153) members of cooperative societies, of which one hundred and eleven (111) respondents were found usable, with the aid of purposive sampling technique. The hypotheses were tested and validated with linear regression analysis method. The results revealed that environmental risk had a statistically positive significant effect on personal safety, and also psychophysical risk had an overall statistically significant and positive effect on personal safety. The study concluded that cooperative societies in Ogun East have been able to meet-up with employee's safety standards due to the preventive measures that were put in place, thereby minimizing the prevalence of workplace injuries at the workplace. *The study therefore*

recommends that the management should consider sensitizing new recruits in their workplace about the possibility of exposure to injuries by enforcing the use of protective equipment at all times.

Keywords: Personal Safety; Environmental Risk; Psychophysical Risk; Safety Culture; Safety Structure

1.0 Introduction

Cooperative business firm is the bedrock of any nation's economy and therefore should be nurtured to a high level of standard and maturity in order to be robust, self-sustaining, and self-reliant. Most cooperative societies in the present day are facing many challenges because of competition, legislation, international standards, globalization and changes in technology due to the increasing chances of workplace hazards which employees have to deal with on a daily basis (Hamid, 2021). Although work provides many economic and other benefits, a wide array of workplace hazards also present risks to the health and safety of people at work. These include but are not limited to, "chemicals, biological agents, physical factors, ergonomic conditions, allergens, a complex network of safety risks," and

a broad range of psychosocial risk factors (Hsiao-Yun, 2021).

Occupational risk factors are those factors which directly or indirectly influence the health and performance of the workers. There are different risk factors associated to the working people's health within the given environment of the workplace. Risk management therefore, could pose a huge challenge for business managers especially in the engineering sector, and if not proactively controlled can lead to under performance and sometimes cessation of activities for some companies (Reason & Hobbs, 2017). It is common knowledge that poorly managed risks can have an adverse effect on performance while proactive and systematic control of key risk variables in a business environment could generate successful outcomes. Major industrial hazards resulting in the death of employees, becoming disabled or experiencing financial losses resulting from occupational accidents and occupational illnesses have reached scary dimensions around the world (Hamid, 2021). For instance, in developed nations with more sophisticated manufacturing and cooperative society processes, the economic results of occupational accidents and occupational illnesses lead to quite serious damages. Although the Occupational Health and Safety Law and the regulations within the scope of the law, which was Act numbered 6331 and enacted in 2012 against the increasing production and employment, included serious precautions, it is not at the desired level in terms of administrative, legal, medical and psychological precautions to protect the employees from accidents (Shezeen, Rudia&Kwangsu, 2018). Despite all the precautions taken, the basic reason behind the fact that the results haven't reached the desired levels is the imprecise adoption of the Safety Culture by both the employers and the employees.

Although, cooperative societies seek to reduce the incidence of occupational risks while they strive to increase efficiency and productivity. To avert pressure on workers, employers sometimes adopt a variety of solutions such as job rotation, add more employees on the same task, or decrease the pace of work. In other cases they could design ergonomic workstations or introduce advanced

cooperative societies technology to minimize repetitiveness in the production environment (Hasse, Birgitta, Ulrika, Katarina, Wijk& Ragnar, 2015). However, in the face of daunting economic pressures whereby most cooperative societies are currently downsizing or laying off workers, the chances of organizations to employ the use of robots and capital intensive machineries to reduce the prevalence of occupational risks have become a gigantic challenge facing most organizations necessitating the need for companies to embark on labour intensive method of productive as a result of the availability of workforce (Serpil, Nurettin, Oguzhan, Ahmet & Ulviye, 2015).

Essentially, personal safety of employees working in an organization is dependent on the safety culture practiced in the organization, thus, safety culture describes the underlying nature of an organization's approach to safety, which is shaped by people within and outside the organization through organizational structures and social relationships (Hughes, Newstead, Anund, Shu & Falkmer, 2015). Safety culture is a shared safety-relevant way of thinking and acting that is recreated through the joint negotiation of people in social settings (Nævestad, Hesjevoll & Phillips, 2018). As such, a safety culture is the product of individual and group values, attitudes, perceptions, competencies, and patterns of behavior that determine an organization's commitment to health and safety management and the style and proficiency of that management (Li & Itoh, 2014).

Workers in most cooperative societies in Nigeria have been faced with many safety risks due to the nature of their jobs. In fact, the nature of risks faced on their jobs by employees are not gender specific, this is because how well safety procedures and regulations are followed within an organization is considered to be influenced by the reigning culture of the organization; consequently most organizations in Nigeria, particularly those firms requiring the operation of heavy duty machineries have fallen short of the necessary precautionary procedures to be followed with little or no safety procedures to be followed by their employees which constantly exposes them to severe risks on their job with no attendant benefits accruing to them in case of loss of jobs or any other eventualities.

Within the Nigerian cooperative societies sector, there are very few or no existing literature on risk reduction procedures to the followed by Nigerian companies. On the contrary, the studies conducted by other researchers (Antonsen, 2009; Guldenmund, 2010; Hopkins, 1999) showed how well safety procedures and regulations are followed in foreign organizations which are considered to be influenced by the reigning culture of the organization. However, no studies have been conducted which examines the safety culture in Nigerian organizations in a bid to mitigate the risks and personal safety of employees in Nigerian cooperative societies sector. It is against this backdrop that this study is conducted to examine the factors necessitating risk reduction and personal safety of employees in the Nigerian cooperative societies sector.

The overall objective of this study is to examine the effect of risk reduction on personal safety of employees in Nigeria cooperative societies sector. Specific objectives include the following: first and foremost, determine the effect of environmental risks on personal safety of employees in Nigeria cooperative societies industry. Secondly, evaluate the effect of psychophysical risks on personal safety of employees in Nigeria cooperative societies industry.

The following questions are raised in the course of this study: Firstly, does an environmental risk affect personal safety of employees in the Nigeriacooperative societies industry? Secondly, is there any significant effect of psychophysical risks on personal safety of employees in Nigeria cooperative societies industry?

This study examines risk reduction and personal safety of employees within the Nigerian cooperative societies. This study is of immense benefit to the following categories of people, to the management: the safety climate acts as a precursor of proactive risk management in an organization. Hence, proactive risk management has an impact on employees' safety knowledge and motivation to engage in safe practices. This knowledge and motivation lead to development of the competence of complying with safety procedures and of working safely to the employees. In addition, conducting proactive risk management makes employees feel that the

organization is safeguarding their health and safety at work, which leads to a decrease in their risk perception.

To the employees, this study helps to bring to the fore the working conditions of men and women in terms of determining the risks associated with their working conditions, which may be encountered by the either gender i.e. both male and female employees in the cooperative societies. This will help in creating awareness concerning risks faced at work and the ways to mitigate the risks to cater for employees' personal safety.

To the Government: this study helps to shed light in the current policies if any followed by cooperative societies s in forming awareness to prevent the risks, thus enabling to increase the employment of the female labor force, most importantly, informing women about the risks which they are aware or unaware of, preventing those risks and forming the safety culture in organizations.

2.0 Literature Review

2.1 Concept of Risk

Risk is a mixture of how hard it is when an event happens and the probability of an event happening. There are three broad categories of risk which are preventive, proactive and prescriptive (known as the Three-P's). Risk identification offers place for preventive and proactive procedures, rather than procedures implemented on the ground of prescriptive thinking (Matsuzaki, Taniguchi, Inoue & Kawamura, 2019). In an Organizational SH literature, an occupational hazard is usually defined as “any potential source that can cause injury or damage to the health of a worker” (Canadian Center of Occupational Health and Safety, 2020). More widely, Hamid, (2021) mentions it as “a work material, substance, process or situation that predisposes to disease or accident, or can directly cause disease or accident to workers in the workplace, even years after the workers might have left the workplace”. When some harmful hazards occur, they have immediate effects, such as injuries from accidents (e.g., broken legs and arms as a result of fall from cliffs). Many of them, though, are more concealed and not easily perceived, for the reason that there

is a time lag between the exposure to the hazard and the commencement of harmful consequences. (e.g., low back pain due to repetitive bending) (Hasse, Birgitta, Ulrika, Katarina, Wijk & Ragnar, 2015).

2.2 Organizational Safety Culture

Safety culture is largely an aspect of culture that is related to safety in an organization. In an attempt to discuss divergent aspect of safety culture, Nævestad et al., (2015) posits that safety culture is shared way of thinking and acting in consonance to safety measures. Safety culture encompasses shared ways of position which afford both ways of seeing and not seeing hazards, which inspire and legitimize certain work practices, thereby proving norms for the preferred ways of doing things, influencing identities, regulating emotions etc. (Antonsen, 2019; Nævestad, 2017).

While this description of safety culture signifies the deeper layers of culture, whose identification necessitates time-consuming qualitative methods, the concept of safety climate refers to the narrow manifestations of safety culture (Guldenmund, 2017). This is normally studied by means of safety climate reviews, measuring employees' perceptions of the focus on safety in the organization. Meta studies and reviews find that the most important aspect of safety climate is senior managements' pledge to safety, followed by safety system, risk perception, work pressure and competence (Guldenmund, 2017).

2.3 Organizational Safety Structure

Organizational structure refers to the division of tasks in an organization, the modalities of workflows, in what way this workflow is coordinated, and the forces and machineries that let this coordination occurs (McShane & Travaglione, 2017). Structure in organizations has two fundamental tasks. The first is "division of labor" that leads to specialization, while the second is "coordination of labor" that allows employees attain the organization's goals. This tension between differentiation and integration signifies an important organizational challenge: the bigger the degree of division of labor and specialization, the bigger the effort required to coordinate and coordinate each effort.

According to McShane and Travaglione (2007),

the following ways can help in achieving coordination in an organization: 1) formal hierarchy, involving direct control, 2) Informal communication and 3) standardization, with formal instructions (standardization / specification of tasks), goals (results standardization) or training (knowledge standardization). We may also refer to organizational safety structure as SMS, which use these coordination mechanisms. First, "division of labour" is critical in SMS, which describe key positions with specific safety responsibilities. Second, "coordination of labour" is also critical in SMS, particularly standardization. SMS include formal routines and measures allowing the organization to work methodically with safety, e.g. by identifying risk through formal assessments, developing and implementing countermeasures (e.g. procedures, training), defining roles and responsibilities, frequently checking status, monitoring safety performance and adjusting measures, or implementing new measures if necessary (Thomas, 2012).

2.4 Barriers to Prevention of Occupational Safety Hazards

Earlier study has acknowledged a number of other barriers to Occupational Safety Hazards (OSH) aside the barrier of suitable government directive and investigation for informal sector workforces in Africa. Bamu-Chipunza (2018) contended that the insecurity of income and poverty make it repeatedly unbearable for informal employees and businesses to invest in PPE and other safety plans that are related to their work. In a literature review centered on the construction industry, Umeokafor (2014) contend based on Diugwu et al. (2012) and Idubor and Oisamoje (2013), that there is a dearth of consciousness of Organizational Safety Hazards in Nigerian society, which disturbs all employees in both the informal and formal sector.

Oduoza (2020) also discovers that inadequate knowledge of the long-term effects of chemical agents at the workplace and a belief that such agents are not hazardous harmfully affects prevention of the use of such agents. Umeokafor (2014) proposes that beliefs, either superstitious or religious, frequently filter into workplace environments resulting in a dearth of obedience with OSH regulations in the construction industry

Africa-wide. To support this, the cooperative societies in Ogun East quoted Idubor and Oisamoje (2013), who disclosed that “some construction workers believe that accidents are “acts of God, i.e., accidents occur because God allows them” (Umeokafor, 2014). Beliefs that accidents happen due to external forces at workplace, like destiny, don't only happen amongst construction employees in Africa.

In a qualitative research work, Hamja et al., (2019) discovers that proprietors of minor metal businesses and construction in Denmark ascribed unpredictable situations and destiny as the causes of serious accidents, thereby applying precautionary measures by isolating themselves from their own responsibility. Research works from Europe (Alexopoulos et al., 2009), Bangladesh (Patwary et al. 2012) and Canada (Eakin et al. 2010) described similar findings, that is, employees would ascribe the existence of accidents to unexpected situations or destiny. There is an increasing consciousness among OSH researchers that it is relevant and necessary to take the perception of employees themselves into account if we want to advance operative plans to lessen workplace hazards (Kogi et al., 2016, Eakin et al., 2019). The available OSH literature frequently refers to employees in the informal sector in general without reference to specific occupations. However, diverse occupational groups are probably to confront specific challenges as they have particular perceptions of the causes and prevention of OSH (Hamja et al., 2019). In lieu of the many OSH hazards automobile artisans in developing countries are confronted with; it is pertinent to discover the perspective of a specific group of informal employees on how to prevent or reduce these hazards.

2.5 Theoretical Review

2.5.1 Actionable Risk Communication Model

The actionable risk communication model inspires action by the overall public to reduce the risks they face from possible intimidations, and advise education campaigns to promote anticipated public readiness (Wood, 2011). In line with this model, the most efficient communicators and inspirators for readiness are not public; rather the community memberships

who share information about the steps they have taken to protect others who are less ready against risk (Wood, 2011). Despite the fact that there is still need to be guided from emergency organizers on how to get ready, the most efficient communicators to transport guidance are community members who themselves have followed endorsed actions, such as making an emergency equipment.

The actionable risk model is reinforced by investigation that offers understandings into communication channels that are efficient for risk communication. For instance, a cell phone investigation of 623 inhabitants of Los Angeles County and the neighborhood obstructed by an August 2009 wildfire discovered that individuals were more expected to obey evacuation messages when the messages are communicated through various divergent channels and or received frequently; detailed procedures about what to do and when additional improved evacuation behaviors (Smarick, 2010).

Actionable risk communication is most efficient for a short time frame following an occurrence when individuals are most approachable to readiness communications having just experienced a disaster. Similarly, people who have luckily escaped risk will be less likely prepare for future occurrences, seeing their good luck as resiliency. Communicators trying to inspire justification events may need to complement risk information such as statistics with stories of flexibility that counter dearth of preparation encouraged by luck of escaping from dangers' experiences (Dillon, Tinsley & Cronin, 2011).

2.5.2 The Situational Theory of Publics

The Situational Theory of Publics (STP) has the objectives of helping business organizations recognize whom to be regarded as publics, and to see how those publics involve in communication behaviors, such as information lookout and processing (Grunig & Grunig, 2003). The Situational Theory of Publics has three essential fundamentals which are constraint recognition (identification of professed hindrances to solution), level of involvement (degree of professed connection to the problem) and problem recognition (discovery of problem

without solution) (Kim & Grunig, 2011). Taken together, these factors can regulate if individuals will process information and then halt, or vigorously pursue making STP one of the only theories to emphasize exactly on information lookout and processing as a way of forecasting behavior (Grunig, 1997).

Since the Situational Theory of Publics (STP) has been extended to Situational Theory of Problem Solving by additional variable Problem Solving, which comprises a possible problem-solver growing active or passive, information giving, selecting and seeking (Kim & Grunig, 2011). Till present moment, the new variety of STP has been verified only through a statistical tool known as Structural Equation Modeling (SEM) grounded on web surveys of over 1,700 college students in the United States (Kim & Grunig, 2011). STP renders information that is valuable in comprehending why publics communicate and when they are most probably expected to communicate (Aldoory & Sha, 2007), admitting that problem recognition and level of participation can be enhanced by professed shared experience with media spokespeople and their messages (Aldoory, Kim & Tindall, 2010). For instance, surveys disclose that publics that sense a connection with the spokespeople bringing messages are more probably expected to have enlarged problem acknowledgement and participation. With a stronger comprehension of the influence of spokesperson, risk communicators can select more efficient ways to distribute information and involve publics.

3.0 Methodology

The research design for this study is survey research design. This is because this method makes it impossible to manipulate the variables. The justification for using this type of research design is because it only observes what happened to sample variables without any attempt to control them. More so, it helps in portraying an exact profile of persons or events and thus establishes causal relationship between variables employed in the study. The study area is located in Ogun East senatorial district of Nigeria.

The study area also boasts of several cooperative societies that have existing for some time and are doing well in corporate and social aspects. Hence,

cooperative societies in Ogun East senatorial district are chosen for this study.

The population of this study will include all members of cooperative societies in Ogun East senatorial district. There are currently one hundred and fifty three (153) members in cooperative societies in Ogun East senatorial district. The total population of this study is obtained from the human resources department (2021). From the one hundred and fifty three (153) members in the study area, a total of one hundred and eleven (111) members are selected using Taro Yamani's (1967) formula for sample size determination. The data for this study is a cross-sectional primary data. A questionnaire is designed to accommodate the sample of the population under study. The main data collection instrument employed in this study is a 20-item questionnaire. Data gathering is conducted via the field survey within cooperative societies in Ogun East senatorial district with the support of structured questionnaire. The usage of this data collection tool is because of its appropriateness to the design of the research in term of being relatively cheap and economical, wider and more representative distribution of sample, adequacy of time for respondents to give well thought out answers and simplicity in administration.

The validity of the research instrument was subjected to the validity criteria. Each item of the questionnaire was checked in order to determine whether it meets up with the objective of the study. The reliability or internal consistency of the research instrument was also based upon reliability criteria. The research instrument was thoroughly scrutinized before being administered to the respondents of study. After data collection, a thorough check was done on the questionnaires before coding and entering the data in software (Statistical Package for Social Sciences) for analysis. Quantitative data was analyzed by the use of descriptive statistics of frequency counts and simple percentage. The information on the demographic characteristics of respondents was presented using frequency tables. While the hypotheses for this study regarding the effect of the dependent variable on the independent variable was facilitated with the aid of Regression analysis.

4.0 Result and Discussion

For this study, the analytical techniques employed in analyzing the data collected from the respondent were the Simple Percentage Analysis. The descriptive statistics of the data is shown below:

Table I: Descriptive Statistics of the Data

Gender	<i>Male</i>	<i>Female</i>			
	57.8%	42.2%			
Age	<i>20-29 years</i>	<i>30-39 years</i>	<i>40-49 years</i>	<i>50 years & above</i>	
	33.9%	42.2%	15.6%	8.3%	
Academic Qualification	NCE	OND/HND	B.Sc.	M.Sc.	Others
	9.2%	21.1%	44%	15.6%	10.1%
Marital Status	Single	Married	Divorced	Widowed	
	66.9%	26.6%	0%	6.4%	
Length of Service	1-5 years	6-10 years	11-15 years	16years & above	
	9.2%	36.8%	23.6%	13.1%	

Sources: *Field Survey, 2022*

4.1 Hypotheses Testing

HO₁: There is no significant effect of environmental risk on personal safety in Nigeria cooperative societies

Table II: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 ^a	.674	.667	.47147

a. Predictors: (constant), Environmental Risk

Source: *Field Survey, 2022*

The coefficient of determination (R^2) .674, which explains the how much variability of one factor can be caused by its relationship to another factor. This implies that environmental risk explains 67.4% in the variation of personal safety which is statistically significant. However, the model did not explain 32.6% in the variation of personal safety, implying that there are other environmental risk factors which were not captured in the current model.

Table III: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.417	1	33.417	41.408	.000 ^b
	Residual	98.952	108	.456		
	Total	132.369	109			

a. Predictors: (Constant), Environmental Risk

b. Dependent Variable: Personal Safety

Source: *Field Survey, 2022*

From the ANOVA table, it indicates that the regression model predicts the dependent variable significantly well and also it indicates the statistical significance of the regression model that was run. Here, $p < 0.000$, which is less than 0.05 with an F-statistic of 41.408, is a good fit for the data. Therefore the null hypothesis is rejected.

Table IV: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.215	.203		1.062	.000
	Environmental Risk	.159	.064	.821	2.493	.000

a. Dependent Variable: Personal Safety

Source: *Field Survey, 2022*

The coefficients results revealed a statistically significant positive effect of environmental risk on personal safety ($\beta = .821$, Sig. = .000, $P < 0.05$). This is a demonstration that environmental risk had an overall statistically significant and positive effect on personal safety.

HO₂: There is no significant effect of psychophysical risk on personal safety among cooperative societies in Nigerian Nigeria cooperative societies

Table V: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773 ^a	.598	.563	.34138

a. Predictors: (constant), Psychophysical Risk

Source: *Field Survey, 2022*

The coefficient of determination (R^2) .598, which explains the how much variability of one factor can be caused by its relationship to another factor. This implies that psychophysical risk explains 59.8% in the variation of personal safety which is statistically significant. However, the model did not explain 40.2% in the variation of personal safety, implying that there are other psychophysical risk factors which were not captured in the current model.

Table VI: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.874	1	34.874	45.349	.000 ^b
	Residual	133.672	108	.616		
	Total	168.546	109			

a. Predictors: (Constant), Psychophysical Risk

b. Dependent Variable: Personal Safety

Source: *Field Survey, 2022*

From the ANOVA table, it indicates that the regression model predicts the dependent variable significantly well and also it indicates the statistical significance of the regression model that was run. Here, $p < 0.000$, which is less than 0.05 with an F-statistic of 45.349, is a good fit for the data. Therefore the null hypothesis is rejected, while the alternative hypothesis is accepted that there is a significant effect of psychophysical risk on personal safety in Nigeria cooperative societies.

Table VII: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.115	.318		3.462	.000
	Product Development	.217	.251	.773	4.617	.000

a. Dependent Variable: Personal Safety

Source: *Field Survey, 2021*

The coefficients results revealed a statistically significant positive effect of psychophysical risk on personal safety ($\beta = .773$, Sig. = .000, $P < 0.05$). This is a demonstration that psychophysical risk had an overall statistically significant and positive effect on personal safety.

4.2 Discussion of Findings

From the analysis of hypothesis one signified that environmental risk had an overall statistically significant and positive effect on personal safety. This study is supported by the study of Hsiao-Yun (2021) aimed at exploring the influential factors that reduce risk perception and encourage travel amongst senior citizens. Self-efficacy and social influence are suggested as two antecedents. The moderating roles of destination image and perceived value are also discussed. The results of this study show that self-efficacy has a negative effect on financial risk and socio-psychological risk, whereas social influence has a positive effect on financial risk. In addition, self-efficacy and social influence are important factors that increase seniors' revisit intentions. Seniors' environmental risk perception has a significant impact on revisit intention, while socio-psychological risk increases revisit intention. The moderating roles of destination image and perceived value can facilitate the positive effects of self-efficacy and social influence on revisit intention.

The analysis of hypothesis two clearly revealed psychophysical risk had an overall statistically significant and positive effect on personal safety. The findings is corroborated by the study of Stege, Bolte, Claassen and Timmermans (2019), the authors investigated perceptions of risk and mitigation of employees in roadwork (construction and maintenance) companies concerning Personal safety, as well as their views on methods to empower safety behavior, by means of a mental models approach. The study found that most workers are aware of the existence of PM and reduction methods, but that their knowledge about PM itself appears to be fragmented and incomplete. Moreover, road workers do not

protect themselves consistently against personal safety.

5.0 Discussion and Implications for Management

The broad objective of this study is to examine risk reduction and personal safety in Nigeria cooperative societies. This is very important because the cooperative societies assist the economy of any nation and therefore should be nurtured to a high level of standard and maturity in order to be robust, self-sustaining, and self-reliant. Most cooperative societies in the present day are facing many challenges because of competition, legislation, international standards, globalization and changes in technology due to the increasing chances of workplace hazards which members have to deal with on a daily basis. Although work provides many economic and other benefits, a wide array of workplace hazards also present risks to the health and safety of people at work.

From the analysis of results, it is evident that risk about in many ways and forms in several cooperative societies which are not only limited to industrial accidents, also chemicals and lack of presence of safety equipment for workers also go a long way in mitigating against the effect of workplace injuries. The significant and positive effect of safety precautions clearly revealed that management's ability to put in safety work safety rules and regulations play a significant effect in eliminating the risk of workplace injuries thereby promoting workplace safety standards. The inability of management to consider such factors such as member's environmental risk and psychosocial risk not only put members in harm's way but could also affect the image and reputation of firms at large. The study concluded that cooperative societies in Ogun Eastsenatorial district has been able to meet up with member's safety standards due to the preventive measures it has been able to put in place thereby minimizing the prevalence of workplace injuries at the workplace.

The following recommendations are made in the light of this study: firstly, the management should consider sensitizing new recruits in the workplace about the possibility of exposure to injuries by enforcing the use of protective equipment at all

times. Secondly, it is equally recommended that penalties should be meted out to departments that are found not to adhere to safety measures this can be achieved through strict compliance such as compulsory leave without pay at the workplace. Lastly, *environmental risks should be reduced in the vicinity of the cooperative societies by ensuring that the waste of the firm is properly disposed off and not exposed to areas where residents can come close to them.*

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Appendix

SECTION A

DEMOGRAPHIC INFORMATION

INSTRUCTION: Please mark () the following information as it is appropriate to you

1. **Sex:** Male Female
2. **Age:** 21-29years 30-39yrs 40-49yrs 50yrs and above
3. **Marital Status:** Single Married Divorced Widowed
4. **Educational Qualification:** NCE OND/HND B.SC M.Sc. Other certificate
5. **Level:** Junior Staff Senior Staff Others
6. **Length of Service:** 1-5 years 6-10 years 11-15yrs 16 yrs and above

Section B: Risk Reduction and Personal Safety

Instruction: Tick as appropriate. Your view on the above indices presented below: Where: Strongly Agree (SA); Agree (A); Disagree (D) and Strongly Disagree (SD)

Safety Precautions and Awareness		<u>SA</u>	<u>A</u>	<u>UD</u>	<u>D</u>	<u>SD</u>
		5	4	3	2	1
SPA ₁	The equipment frequently used at workplace for operations is easily accessible.					
SPA ₂	Occupational clothes we use at workplace are pretty comfortable and compatible with my physical sizes.					
SPA ₃	Management pays the necessary attention within the bounds of laws in case of specific cases like pregnancy.					
SPA ₄	Workplace illumination is sufficient for me to fulfill my duties efficiently and accurately.					
SPA ₅	Health and safety signs are adequate and comprehensible.					
Safety Awareness		<u>SA</u>	<u>A</u>	<u>UD</u>	<u>D</u>	<u>SD</u>
		5	4	3	2	1
SA ₁	My work influences my health negatively.					
SA ₂	Working and walking places (floor, stairs etc.) are slippery at workplace and I have the risk of falling down at any moment.					
SA ₃	Work equipment has unguarded moving parts (including accessories), which may pose a danger					
SA ₄	I am generally exposed to stress while working.					
SA ₅	I have to raise my voice while talking to people at workplace due to the high noise level.					

Psychological Risks		<u>SA</u>	<u>A</u>	<u>UD</u>	<u>D</u>	<u>SD</u>
		5	4	3	2	1
PR ₁	I generally work by standing for long hours at my workplace without any break.					
PR ₂	I received the necessary information and training from my workplace for lifting and carrying load accurately.					
PR ₃	I am busy with more than one task at any time.					
PR ₄	I use equipment such as hand truck, pallet jack etc. while moving work tools and equipment at workplace.					
PR ₅	I bend, lie and twist while working, which causes a tremendous effect on my wellbeing.					
Personal Safety		<u>SA</u>	<u>A</u>	<u>UD</u>	<u>D</u>	<u>SD</u>
		5	4	3	2	1
PS ₁	The cooperative society has a functioning reporting system, which is used by both employees and managers.					
PS ₂	The management team regularly reviews reported incidents to learn from them, the learning results in concrete measures, and employees are informed about them.					
PS ₃	The cooperative society regularly conducts formal risk analyzes of all its assignments.					
PS ₄	The cooperative society has a good set of procedures that are known and experienced as meaningful by the employees.					
PS ₅	The cooperative society has a good training program, with predefined, theoretical and practical activities designated activities to fulfill the goals of the cooperative society.					

EMPOWERMENT PROGRAMMES AND MANAGERIAL DEFICITS: A COOPERATIVE APPROACH TO YOUTH UNEMPLOYMENT IN NIGERIA

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Abstract

The youth sub-sector across developing nations appears to be bedeviled with myriads of obstacles and notable of which is unemployment. This is in spite of successive government and other empowerment efforts geared towards addressing the menace. This paper examined empowerment programmes and managerial deficits, using a cooperatives approach to address youth unemployment in Nigeria. Extant literature on the topic of discourse was reviewed. This paper indicates that unemployment has remained one of the greatest challenges facing Nigeria since 1973 and has been growing in a geometric progression. It also disclosed that intervention efforts have been made for decades to address youth unemployment through empowerment programmes. However, lack of managerial skills and managerial deficits were observed to be part of challenges militating against the actualization of objectives of empowerment programmes. This paper concludes that cooperatives provide right opportunities for the empowerment of disadvantaged members of a society and through active involvement rightful solutions to youth unemployment and higher productivity trajectory can be made possible. The paper recommended among others that government should partner with cooperative bodies in the country, like ICOPRON to encourage unemployed youth to join cooperative societies. Through this medium the youth can be given better and sustainable empowerment. There should also be Empowerment Programmes Intervention Fund. This can be jointly raised by the government,

multinationals and cooperatives for the empowerment and running of youth development programmes in the country.

Keywords: cooperative, empowerment programmes, management, managerial deficits, youth unemployment.

Introduction

The cooperative movement presents itself as a suitable platform for the implementation of the Sustainable Development Goals (SDGs) 2030 agenda. It does not only float on the notion that no one should be left behind, but also has the capacity to identify the needs or pains of disadvantaged members of a society and can address them for better functioning in the society. This therefore makes the idea of cooperation a unique and vital approach for tackling of socio-economic and other challenges of deprived or neglected members of a society.

The youth sub-sector across developing nations appears to be bedeviled with myriads of obstacles and notable of which is unemployment. Unemployment has been making survival for many youth in Africa a hard nut to crack (Ejikeme, 2014). Since 1973, unemployment has remained one of the greatest challenges facing Nigeria and has been growing in a geometric progression (Odumade, 2020).

The youth represent human capital that could propel a nation to higher and enviable economic height if efficiently engaged or deployed (Gabriel, Isyak & Ahmed, 2020). Due to poor management of Nigeria's endowed resources, many youth becomes jobless and ready tools for

criminalities and easy recruit to crimes (Okechukwu & Nwekwo, 2020; Suleiman & Aminu, 2015). Empowerment programmes aimed at enhancing human capital development appears bastardized through administrative misconducts and selective reward of loyalists by political class, thereby depriving others.

Nigeria is endowed with enormous human and natural resources, like crude oil. Oil products form the bulk of the nation's revenue derivatives. Reportedly, 80 percent of Nigeria's energy revenues flow to the government, 16 percent covers operational costs, and the remaining 4 percent go to investors. However, the World Bank has estimated that as a result of corruption and mismanagement 80 percent of energy revenues benefit only 1 percent of the population (Oyegoke, 2017). In other words, about 99 percent which comprises the masses, especially the youth are left to wallow in poverty and suffering. Outside of the energy sector, Nigeria's economy is highly inefficient and this has partly made it almost impossible to meet her developmental needs, especially human capital development of the youth.

However, it has been established that through cooperative business issues of poverty can be reduced in situations where government, private enterprises and individuals fail to perform the enormous task of addressing basic human challenges (Mendoza, 2016). Cooperative creates opportunities, extends protection and facilitates empowerment. These three elements summarize the cooperative role and are essential to any poverty reduction or empowerment strategy initiatives. Surprisingly, the youth sub-sector of the Nigerian economy are nowhere close to the opportunities provided by cooperatives. This could explain why decades of youth empowerment programmes in the country have not yielded impactful results.

The youth constitute over 60% of Nigeria's population, yet most marginalized and inequitably deprived group in the country. They are widely held to be among the poorest, most vulnerable, socially excluded in political representation and other barriers that hinder their

development. All these are traceable to unemployment which equally affects their capacity to compete on equal footing with their peers in other nations of the world. It is against this background that this paper examines cooperatives as the way forward to managerial deficits surrounding youth empowerment in Nigeria.

Conceptual Clarifications

Conceptualizing Management and Empowerment

Management is a concept that has been widely used and conceived in different ways. Reynolds (2000) defines management as getting things done through the effort of others. Similarly, Ebunu (2001) was of the view that management is a process whereby special set of people whose job is to direct the effort and activities of others work towards actualizing a common goal. Insights from these definitions suggest that management can be the ability to coordinate resources through the process of selecting, placing, and organizing in order to attain or meet the support needs of disadvantaged members of a society.

The concept of empowerment is on the hand synonymous to social investment and it is commonly used among African political leaders. What empowerment represent often differ according to need or availability of resources, but it is mostly geared toward helping disadvantaged members of a society to have an economic activity that can meet their basic needs. Ledford, Lucas, Dairaghi and Ravelli (2019) conceived youth empowerment as the act of providing opportunities for youth to develop their skills as to become problem solvers and decision-makers without being a burden to the society. Similarly, Okonkwo, Nwokike and Nwafor (2021) describe youth empowerment as activities that involve impartation of useful training, education or skills that will help them to survive and contribute optimally to the growth and development of their society.

The Management of Empowerment Programmes in Nigeria

The alarming rate of youth unemployment in Nigeria has given rise to the floating of various empowerment programmes. Ikechi-Ekpendu (2016) posits that the programmes were expected to create employment opportunities in form of self-employment and self-reliance for the purpose of poverty reduction among unemployed youth. The programmes include Poverty Alleviation Programme, National Directorate of Employment (NDE), Industrial Training Fund (ITF), Directorate of Foods, Roads and Rural Infrastructure by past administrations (Ugal, Nwagbara & Uyang, 2011), National Poverty Eradication Programme (NAPEP), Youth Empowerment Schemes (YES), Youth Entrepreneur Support Programme (YES-P) and Graduate Internship Scheme (GIS) were also introduced after thorough review of poor performances of previous ones (Aliyu, 2003). He noted that SURE-P was however introduced in 2012 with the primary aim of creating more jobs for the teeming unemployed youth.

Similarly, N-Power was introduced in 2015 with the target of equipping unemployed youth with life-long skills (Ministry of Humanitarian Affairs and Disaster Management, 2021). The continued introduction of one empowerment programme or another suggests that something is still missing. While some failed for reasons that may be ascribed to poor funding, others appear to be facing managerial challenges. Ugal et al (2011) were of the opinion that funds meant for youth empowerment in Nigeria are usually embezzled or mismanaged. This gives a clue to what could account to the failure or inability of many programmes targeted at empowering the youth not actualizing their objectives. Management could be said to be the bedrock for effective functioning of any organization and where those occupying such important positions are not having the requisite skills, the set goals may not be met.

Managerial Skills

The ability of any organization to succeed can be

traced to its managerial competence. Management skills are a collection of abilities that include things such as business planning, decision-making, problem-solving, communication, delegation, and time management (Usman & Umebali, 2021). Management skills are been classified into technical, conceptual and human or interpersonal skills (Katz, 1974). These skills enable managers to make use of human potentials and motivate for better results (Ibay & Pa-alisbo, 2020). Moreso, they are not only functional or applicable within the confines of the organization, but could as well be used to identify areas which youth need empowerment and accurately enroll them into something productive.

While different roles and organizations require the use of various skill sets, management skills help a professional stand out and excel no matter the level. In top management, these skills are essential to run an organization well and achieve desired business objectives (CSFI, 2021). Evidence shows that youth empowerment programmes in Nigeria have been facing myriads of challenges, notably managerial. Ikechi-Ekpendu (2016) argues that just as other policies were destroyed by managerial deficit, SURE-P did not survive to achieve expected targets due to same issue.

Cooperatives Approach to Unemployment and Effective Youth Empowerment

The term cooperative emerged in England after the industrial revolution and it means the idea of "living and working together" (Vadivelu & Kiran, 2016). They posits that in spite of the drawbacks experienced in the working and administration of co-operative societies, co-operative movement in India have positively contributed to the growth and development of the national economy. Promotion of thrift, self-help and mutual aid are the fundamental principles of co-operation. In view of this, Verma (2016) stressed that cooperatives have become preferred model for economic development of the increasing youth population in the country. In their views, Okwara and Uhuegbulem (2017) maintained that

cooperatives are responsive alternative models for empowerments and local business development. They posit that it has the potency to stimulate economic development by giving people control over their livelihoods, create job opportunities and provide a channel for the overall growth of the Nigerian economy, as well as fighting social exclusion in the society.

In Nigeria and some other developing countries of the world, there is high dependency on government for virtually everything - job, security, healthcare, social welfare, etc and evidence has shown that these expectations are having overbearing effects on the economy. Nigeria's economy is being challenged among other things the twin problems of international oil price fall and aftermath effects of COVID-19 pandemic. These have not only affected the country's foreign earnings but also disrupted and made many governmental programmes nearly impossible to be actualized.

Where the government therefore, cannot provide the much expected job opportunities for the teeming populace, the youth can take action by creating desired jobs through effective cooperative involvement. This is the case of Le Gress Cooperative in Canada and Coomeva Cooperative in Colombia where some individuals in remote communities without much government presence took it upon themselves to form cooperatives that provided access to primary healthcare to their people (Mendoza, 2016). Similarly, Mendoza noted that Furrows and Faith Retirement Cooperative which focuses on helping elderly people meet their everyday needs hires people through their local volunteer board of directors to cook, clean and operate in the old peoples building. This move does not only address the immediate needs but perhaps still confronts other pressing challenges of the area and people. In addition, the International Cooperative Alliance for Global Youth Forum recently drew more than 430 youth participants across the world for a workshop on cooperative entrepreneurship. The forum resolved that cooperatives can put the youth in a situation to act, do, and experience greater things (Voinea, 2021).

The workshop called for youth across the world to get involved in cooperative movement as to actualize their aspirations and most especially get empowered.

The foregoing suggests the effectiveness of a well managed and committed cooperative organization. Cooperative is not only an effective channel for inclusive development and empowerment to vulnerable or marginalized members of any society, but has the potency to upturning misfortunes to fortunes. This affirms the Sustainable Development Goal (SDG's) seventeen which harps on the importance of partnerships, which is the core essence of cooperative. In other words, rather than waiting endlessly for the government to provide jobs, disadvantaged youth in a society can pull their meager resources or skills together to make a meaningful living.

Conclusion and Recommendations

Deprivation or negligence of an important group of individuals like the youth could spell a doom if not properly managed. Giving the fact that they are the strength and future of any nation, issues concerning them should always be at front burner of national discourse. Youth unemployment has been around for decades in spite of efforts and resources channeled to addressing it. Evidences have shown that there are managerial maladies and inadequacies in the programmes. This calls for a change of model as to have sustainable and impactful socio-economic empowerment. Cooperative offers a better model or approach to resolving youth unemployment in Nigeria. It has proven to have a good managerial structure and accountability system unlike most institutions saddled with the responsibility of youth empowerment in the country.

It is pertinent to state that rising spate of unemployment has made many youth unaware of good opportunities provided by cooperatives which could enable them to succeed without meddling into vices that would endanger their future. When there are no avenues in place to enable the youth to harness their potentials, social vices becomes attractive. To discourage such and

get them gainfully engaged, cooperative movement should be encouraged among the youth. Active involvement in cooperatives would not only avail empowerment opportunities but could reduce youth unemployment to the barest minimum. This paper concludes that cooperatives provide right opportunities for the empowerment of disadvantaged members of a society and through active involvement rightful solutions to youth unemployment and higher productivity trajectory can be made possible. In view of the above, this paper recommends that;

1. The government should partner with cooperative bodies in the country, like ICOPRON to encourage unemployed youth to join cooperative societies. Through this medium the youth can be giving better and sustainable empowerment.
2. There should be Empowerment Programmes Intervention Fund. This can be jointly raised by the government, multinationals and cooperatives for the empowerment and running of youth development programmes in the country.
3. The National Youth Service Corpse (NYSC) should collaborate with cooperative organizations in empowering young graduates. This is necessary given the fact that after graduation many youth leave the scheme with little or nothing from their monthly allowances. With cooperative societies, the monthly allowance can be divided in such a way that after the one year mandatory exercise the outgoing corps members can be giving bulk of their money to start up small scale businesses learnt while in camp and also get monitored through cooperatives.

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INFLUENCE OF COOPERATIVE SOCIETIES ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN OYO STATE, NIGERIA.

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ABSTRACT

The study examined the influence of cooperative societies on the performance of small and medium enterprises in Oyo State. The study specifically examined the relationship between cooperative society and small and medium enterprises in OYO state. This study adopts field survey research design. The population was drawn from the five zones in Oyo State. Taro Yamane formula was employed to determine the sample size. Data obtained were analyzed using descriptive statistics and percentages, as well as Pearsons moment correlation analysis, binary logistic regression models and multiple regression models with the aid of SPSS. The study concluded that cooperative society activities have significantly enhanced the survival of Small and Medium Enterprises in Oyo State. Based on the finding of this study, the following recommendations were made: cooperative societies activities have significantly enhanced the survival of medium scales business, it is suggested that government should complement the effort of cooperatives by extending soft loans to them through micro finance banks or department of cooperative. The challenges affecting the contributions of cooperative societies has significant effect on Small and Medium scale Enterprise in Oyo State therefore non-governmental organization and the tiers of government should train and equip cooperators with entrepreneurial skills through seminars, workshops and symposia so as to assist them with

the necessary skills to establish, manage, sustain and expand their business outfits.

Background to the Study

Every business organization (Profit and non-profit) requires funds for the achievement of success and business objectives and goals. Salami (2000), cited by , said that internal sources of fund have historically constituted a large but steadily declining fraction, while there is a secular increase in debt utilization. This may be due to dwindling fund internally. However, only firms with collaterals assets can gain access to the debt market. Small organizations over the years relied on self-financing, which were often insufficient for their growth and development.

In the era of the Rochdale Pioneers it was cardinal that capital funds and resources needed to establish and run projects were generated internally. The guiding philosophy then was self-help through mutual help. These helped to provide members with the finances necessary for their operations. These cooperatives resemble the traditional "isusu" clubs but are better organized and charge lower rates of interest. Members were motivated by a genuine force in finding ways of solving their personal problems. Cooperative societies have been developed in Nigeria with the active promotion and financial support of government. Therefore, with the financial resources of Government becoming leaner, these days, cooperative movements, as a mark of growth, should become more self-reliant.

Cooperatives focus on the individual who wishes to start or expand a business, including small and medium enterprise (SME) to better their socio-

economic life, and this is led by individuals who can be considered entrepreneurial (Agbasi, 2010), cited by Nwankwo, Ewuim and Asoya (2012). For over 160 years now, cooperative society has been an effective way for people to exert control over their economic livelihoods. It provides a unique tool for achieving one or more economic goals in an increasingly competitive global economy. As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members of the society or other similar cooperative society (Adu, 2014).

In most developing economies, emphasis is placed on cooperative society development due to its economic primacy and contribution to economic growth, as well as economic welfare of the host community. However, the establishment, practice and adoption of cooperative society among small and medium scale business traders in Nigeria are still very low. This is due to the fact that many people are not aware of the mechanism and role of cooperative society in funding small and medium enterprises. Today, there are Cooperative societies that have been set up by private initiative i.e. group of people seeking a common economic goal and hoping in the long run to improve their economic status which in turn serves as a source of finance for their Small and Medium Enterprises (Godwin, 2011), cited by . Also, there is a serious campaign by the government and ongoing debate among the policy makers on the need for the establishment and practice of cooperative society as a source of finance to small and medium scale enterprises. Cooperative banks and credit unions were initially established to reduce poverty and high indebtedness among small-scale farmers and craftsmen in urban and rural areas. Cooperatives continue to serve this mission today- often by providing affordable and equitable access to microfinance services.

In Nigeria today, the economy is characterized largely with the dominance of Small and Medium scale businesses. Small and Medium Enterprises are found in various sectors such as commerce and industry, services, agriculture, manufacturing etc.

In the United Kingdom, the Economic Advisory Group classified small business according to industry in terms of net assets and turnover ranging between £20,000 to £25,000 and £50,000 to £500,000 in business turnover. These are presently equivalent to N4.4m to N5.5m and N11m to N110m for net assets and turnover respectively. However, these definitions may not be applicable in Nigeria. According to Small Business Association in the United States, any business which has less than 250 employees and whose annual turnover is not more than \$10million is small scale. Another definition of the Committee for Economic Development in USA described small business as one whose management is independent, capital is supplied and ownership is held by an individual or small number of individual and its areas of operation are mainly local; and its size within the industry is relatively small. In India, all manufacturing enterprises with an investment in capital of not more than 750,000 rupees are regarded as small-scale business Ayo, (2006), as cited by .

A Small and Medium-scale enterprise can be firewood supply, plantain production, restaurant services, small-scale poultry raising, daycare services, home laundry services as small-scale business, while soap production, hair/body cream production, chemical production, commercial poultry, professional practices (law, accountancy, education), food and beverages production fall into medium-scale enterprises. All these aforementioned businesses need funds to successfully carry out their operations and to remain in existence. The importance of finance to this category of business cannot be over-emphasized. Financing business from time immemorial has been recognized as the heart of business. It is the pivot on which the wheel of business rotates. Cognizance has also been taken of the critical, central and pivotal role that finance, be it micro or otherwise, plays in linking the business with economic system. Return on investment is an important element in judging the economic efficiency of each business either small or medium. Ashaolu and Fajemisin (2002) posited

that until an entrepreneur identifies the ways of raising fund for financing his enterprise or the money to keep the existing enterprise alive, his plans may best be described as wishful thinking. A business, regardless of its size, must be able to know the sources of funds available to it as it expands. This becomes so pertinent in order to compare cost and ensure minimization of cost of funds.

Thus, cooperative society as a business entity is usually considered as a tool in which Small and Medium Enterprises can harness in financing their business. Various government policies on micro financing recognizes the importance of the Cooperative society in the distribution of capital to the Small and Medium Enterprises due to its organization, rate of interest, procedure in accessing its loan is less cumbersome in comparison with other sources of fund for Small and Medium Enterprises. Cooperative society, as a source of micro financing, also provides access to savings and credits to individual or group without discrimination so as to empower those Small and Medium Enterprises to become self-reliant and successful in their various businesses.

Statement of the Problem

Small and Medium Scale Enterprises (Small and Medium Enterprises) in Nigeria have not performed creditably well and hence have not played the expected vital and vibrant role in the economic growth and development of Nigeria owing to financial incapability (Arinaitwe, 2006). Successive governments in Nigeria have always emphasized the place of the Small and Medium-Scale Enterprises (Small and Medium Enterprises) as the engine of growth, without concrete action on ways of actively developing the sector. Indeed, all over the world, the growth of Small and Medium Enterprises determines the development of countries given the fact that critical mass of people in such countries are captured within this net. As observed by Recklies (2001), the sector of small and medium-sized businesses (Small and Medium Enterprises) is an important factor in most economies. SME should

considerably contribute to the overall growth of the economy but ended when there is no tangible financial support from the government. Even so called financial institutions could not inject passable support owing to lack of collateral by the business owner. Meanwhile, in other countries like Germany, Small and Medium Enterprises generated 44.8% of their total turnover subject to VAT. Small and Medium Enterprises have a good reputation for their ability to innovate and for their close customer relationships, if well financed Recklies, (2001).

Small and Medium Enterprises are mostly managed by the person(s) who own(s) them directly and financing in most cases are normally provided by the owners. Some of these Small and Medium Enterprises owners fail to realize the importance of external source of capital in order to affect expansion. They also find it difficult to get the adequate finance due to the high rate of interest being charged by money lenders and commercial banks coupled with high rate of bureaucracy of commercial banks. Sourcing for finance for those kinds of business now become herculean task as majority of the promoter had to either shelve the idea of the business or resulted to other borrowing sources such as commercial bank loan, money lender etc. which interest rate were too high for such small and medium scale to break even or make economic contribution to the development of the country.

Unfortunately, these entire formal credit schemes have not been able to adequately address the fundamental problems which have constrained small and medium-scale access to financing. The low finance rating of small and medium scale is attributable largely to their weak capital base and expansion. Indeed, the problems of weak capital base and poor access to finance by Small and medium scale appear to have developed into some vicious circle leading to slow growth, stagnation and even rapid demise of Small and medium scale. In ensuring that the problem of finance is reduced, the Federal Government not long ago made an effort of purveying micro credits for small and medium scale through the establishment of micro

finance banks whereby small and medium Scale enterprises can have access to financial services. Despite these efforts of government in the area of finance delivery, it has not yielded the expected results in the sense that the low income group and Small and medium scale have continued to be denied access to the formal financial institutions due to lack of collateral securities and other rigorous conditions of obtaining funds. Other various sources of financing such as personal savings, borrowings, and retention of profits are available which could not improve their business. But cooperative societies are not being adequately considered and explored by these small and medium scale enterprises to know its value and relevance in financing small and medium scale enterprises without bureaucracy that other sources of micro credit poses. Cooperative societies prove to be a better platform of financing for Small and medium scale. The cooperative, small and medium enterprises play a critical role in both developing and developed countries. Cooperative society helps in Small and medium scale development. Co-operative enterprise has been described as people-oriented sustainable development. Underlying basic philosophical concepts, fundamental respect for human beings and a belief in their capacity to improve themselves through mutual self-help, that democratic producers applied to economic activities are feasible, desirable, and efficient and that democratically controlled business make a contribution to the common good (Owojuyigbe, 2003).

Objective of the Study

The broad objective of this study is to examine the influence of co-operative societies on the performance of Small and medium enterprises in Oyo State, Nigeria. Specific objectives are to:

- i. Appraise the role of cooperative societies in enhancing the survival of small and medium-scale enterprise in Oyo State;
- ii. Ascertain the challenges affecting the contributions of co-operative societies to small and Medium-scale enterprise in Oyo State.

Research Questions

This study addressed the following research questions:

- I. What are the roles of cooperative societies in enhancing the survival of small and medium-scale enterprise in Oyo State?
- ii. What are the challenges affecting the contributions of co-operative societies to small and medium-scale enterprise in Oyo State?

Research Hypotheses

The following hypotheses stated in null form were tested for the purpose of the study.

H₀₁: Cooperative Societies activities have not significantly enhanced the survival of small and medium-scale businesses in Oyo State.

H₀₂: Challenges affecting the contributions of co-operative societies has no significant effect on small and medium-scale enterprise in Oyo State

Significance of the Study

This study is beneficial to the following:

i. Policy Implication

The findings of this study revealed Cooperatives as instrumental approach for small and medium scale enterprise development and there is need hence need to create policies that will bring about positive development for both Cooperative societies and Small and medium scale enterprises as they are the greatest assets that any nation can have through bottom-up approach. Cooperatives are formed by the people themselves with technical and financial assistance on the part of the government and other financial institutions and agencies to the people through the cooperative organization.

ii. Students/Researchers

The findings of this study will provide empirical framework that will serve as a guideline for other scholars who might be interested in carrying out further research on Cooperatives and small and medium-scale enterprise in Oyo State. It will also help to fill the theoretical gaps in the already existing literature on cooperative and small and medium-scale enterprise in Nigeria.

iii. Cooperative Societies

The findings of this study will give much wider dimension and recognition to cooperative societies as instrumental in small and medium-scale enterprises which will arouse the need for more cooperatives to be formed by people in communities lacking an established cooperative in order to meet the needs identified by the people themselves.

iv. The General Public

The findings of this study will add to the existing knowledge on research carried out by previous researchers on influence of cooperative societies on the performance of small and medium enterprises. The outcome of this study provides information on the influence of cooperative societies on the performance of small and medium enterprises in Oyo state. It shows the place and importance of cooperatives in uplifting the entrepreneurs in Nigeria.

v. Government

The saying that cooperative society is an agent of change even to the grass root is a true assertion. Cooperative society is one of the businesses that have the interest of their members as the main objective. The government will understand better the influence of cooperative particularly on small and medium enterprises and also provide support for cooperative society in carrying out its activities effectively.

Scope of the Study

This study was delimited to unit of analysis, geography scope and content scope:

i. **Unit of analysis:** The unit of analysis in this study is the cooperative societies in Oyo State with specific target on the entrepreneurs in five major towns. This is because Entrepreneurs in the areas of study need access to credit/loan, training.

ii. **Geography scope:** This study was conducted in selected town (Ibadan, Eruwa, Oyo, Ogbomoso and Saki) in Oyo State where cooperatives and entrepreneur are located.

iii. **Content scope:** This study measured the relationship between cooperative services such as: (supply of credit/loan, asset and input, training and cooperative marketing) and entrepreneurs (measured by job creation amongst others) among entrepreneurs in Oyo State.

REVIEW OF RELATED LITERATURE

Concept of Performance

Performance is a widely used concept in many areas. Usually, performance is a measure of how well a mechanism/process achieves its purpose.

Tatjana, (2012) defines performance as the level/degree of a goal achievement of an organization/department rather than of individuals. They are all associated with the terms: effectiveness and efficiency. Effectiveness is the capability of the employees in accomplishing essential goals whereas efficiency is the capability of the employees to achieve required results by using the least amount of resources and assets as possible

In enterprise management, Moullin (2003) defines an organization's performance as "how well the organization is managed" and "the value the organization delivers for customers and other stakeholders." For the purposes of this research, 'performance' is related to achieving stockholder/investor interests. Measuring performance is a multi-dimensional concept. Effectiveness and efficiency are the two fundamental dimensions of performance. This is emphasized by: "Effectiveness refers to the extent to which stakeholder requirements are met, while efficiency is a measure of how economically the firm's resources are utilized when providing a given level of stakeholder satisfaction". To attain superior relative-performance, an organization must achieve its expected objective with greater efficiency and effectiveness than its competitors. To illustrate efficiency, effectiveness, and the value delivered, multi-measures should be used. Though their forms vary widely, financial indicators are traditionally used. further expounded upon manufacturing performance

measures, suggesting that five key-dimensions should be assessed: quality, delivery speed, delivery reliability, price (cost), and flexibility. By measuring all of these factors, performance is thus balanced and multi-dimensional, better reflecting stockholder interest. In this study, performance is defined as the extent to achieving proposed objectives using resource economically in the face of internal/external environment (stockholders, competitors, society). Performance is a value-loaded concept. The issue of performance evaluation is a multi-dimensional concept.

In economic theory, the concept of performance and its operational measurement does not enjoy a universal meaning because the behavior of an enterprise (both public and private) is a function of the behavior of many groups, management, labour, owners, consumers, government etc. (Gbadamosi, 2002). The economists, often measure performance through the use of such criteria as profitability, income per capita, gross domestic product etc.

Oxford English dictionary takes performance to be how well or badly you do something or how well or badly something works. It is also defined as the act or process of performing a task, an action, etc.

Concept of Cooperative

“An autonomous association of persons united voluntarily to meet the common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled business”. Cooperatives are guided by certain principles, according to International Cooperative Alliance (ICA, 1995)

Concept of Small and Medium Scale Enterprises (Small and Medium Enterprises)

The United Nations Industrial Development Organization in 1958 classified a business as being small only if it has less than 150 employees on its pay roll (Ayo, 2006), as cited by . In Japan, the laws for assisting small-scale industries recognize upper limit of 300 employees and investment of 10 million yen for manufacturing

firm is a small-scale business if it has fewer than 250 employees (Adegeye, 2006). In Nigeria, the Industrial Research Unit of the Obafemi Awolowo University, Ile-Ife in 1972 defines a small-scale business as one whose total assets and working capital is less than ₦50,000 and employing fewer than 50 persons (Famoriyo, 1998). The Central Bank of Nigeria (CBN) guidelines also defined small-scale business as an establishment whose turnover does not exceed ₦500,000 The Federal Ministry of Commerce and Industry equates business in the small-scale category with those whose capital (i.e total cost, excluding cost of land) is not over ₦750,000 (Ekpeyong, 2002). The Nigerian Bank for Commerce and Industry defined small-scale enterprises as firms with assets, including working capital but excluding land not exceeding N750,000 (Ekpeyong, 2002). Lastly, the Federal Ministry of Industries prior to Structural Adjustment Programme (SAP) and Second-tier Foreign Exchange Market (SFEM) also defines small-scale enterprises as any manufacturing process or service industry with a capital investment not more than ₦150,000 in plant and machinery.

There is no lower limit for the capital investment and this made the definition to embrace conventional distributive and small-scale industries, including the enterprises of self-employed artisans. During the SAP era, the maximum capital investment level of ₦150,000 was adjusted to ₦500,000, and this definition has been guiding lenders in their classification of businesses. No one single definition of size fits all instances. Even a definition of sizes, in terms of numbers employed, leaves us with much problem. For instance, a car firm employing a thousand personnel would be considered “small” in the context of its industry. On the other hand, in the printing industry, a firm employing 200 personnel could be considered to be medium-sized or even large. However, in any examination of social characteristics and social dynamics of the small firm, a definition of size in terms of numbers employed is, overall, usually the most appropriate

(Adegeye, 2006). It is imperative that most of the definitions appear to be governed by the interest of the perceiver, the purpose of definition and the stage of development of the particular environment in which the definition is being employed. However, for the purpose of this study, we will define a small-scale enterprise as one which is being owned by one or two persons, and is family-influenced in decision-making, undifferentiated in organizational structure and has a relatively small market share, as well as employing less than 50 persons. This definition is multidimensional and avoids the problems of employing one term to lump together a number of characteristics that are logically separable.

The role of the Small and Medium Enterprises (SME) as a catalyst for economic growth and development has been well documented in the economic literature and recognized in most countries. For example, in many of the newly industrialized nations, more than 98 percent of all industrial enterprises belong to the Small and Medium Enterprises sector and account for the bulk of the labour force. Small and Medium Enterprises enjoy a competitive advantage over large enterprises in servicing dispersed local markets. Cognizant of this fact, programmes of assistance, especially, in the areas of finance, extension and advisory services, as well as provision of infrastructure have been designed by the Nigerian government for the development of the Small and Medium Enterprises. Specifically, successive governments in Nigeria have in the last three decades shown much interest in ensuring adequate financing for Small and Medium Enterprises (Small and Medium Enterprises), by establishing various schemes and the failure of most of these schemes revealed that the problem of Small and Medium Enterprises in Nigeria is not limited to lack of long-term financing, but also inadequate management skill and entrepreneurial capacity.

The need to address these problems comprehensively for a sustainable source of long term financing necessitated the introduction of the Small and Medium Industries Equity Investment

Scheme (SMIEIS) by Bankers' Committee at the initiative of the Central Bank of Nigeria. In a paper titled "Overview of government's efforts in the development of Small and Medium Enterprises and the emergence of small and medium industries equity investment scheme (SMIEIS) by Chief (Dr.) J.O. Sanusi, former Governor, Central Bank Nigeria, Abuja presented at the national summit on SMIEIS organized by the Bankers' Committee and Lagos Chambers of Commerce and Industry(LCCI), posited that over the years, the Federal Government has taken various steps, including monetary, fiscal and industrial policy measures to promote the development of Small and Medium Scale Enterprises (Small and Medium Enterprises).

Types of Small/Medium-Scale Business Enterprises

According to Asaolu (2004) and Oyeleran (2012), cited by Kehinde (2016), some types of small scale business enterprises are identified. These include:

- Sole proprietorship
- Partnership
- Cooperative enterprise

Contribution of Cooperatives to the Development of Nigerian Small and Medium Enterprises

According to Miskom (2011) the contributions are as follows:

- i. Cooperative help to nurture SME groups with little financial means into larger groups by encouraging the creation of unions out of the societies.
- ii. A well-run cooperative society provides a pool of funds to Small and Medium Enterprises as loans to meet respective needs.
- iii. Many cooperative societies make investment in Small and Medium Enterprises ventures, stocks or real property which generates returns that could be reinvested or plunging back to Small and Medium Enterprises to expand their businesses.
- iv. Cooperative societies realized that

individuals Small and Medium Enterprises are too small in terms of accessing loans from financial institution; they encouraged the Small and Medium Enterprises to come under one roof as society, union, or organization for them to access funds or loans, from financial institutions.

v. Cooperative societies are potentially an important instrument of social transformation, especially to Small and Medium Enterprises and in rural areas in providing domestic materials to Small and Medium Enterprises, manufactured products and equitable distribution of farm inputs to Small and Medium Enterprises, farm products and other commodities.

vi. Cooperatives assist Small and Medium Enterprises marketing their products both domestically and internationally e.g. trade fair, exhibition etc.

vii. Substantial contribution to the commercial growth and development of the country by undertaking business ventures, economic productions and small and medium scale enterprises financing.

viii. Promoting self-help by imparting better business management skills to Small and Medium Enterprises etc.

Significance of Cooperative Society in an Economy

Lawal (2006) believed that cooperatives is a household name and need not much propaganda as to its economic importance as to its economic importance. The following benefits of cooperatives were highlighted by him:

i. Opportunities for members to buildup capital to finance their business through gradual but regular savings of money.

ii. Employment opportunities: The cooperative society is the second largest employer of labour after government.

iii. Substantial contribution to the commercial growth and development of the country by undertaking business ventures economic productions and small-scale enterprises financing.

iv. Promotion of physical and social development of the country through

transportation business, low-cost housing units and community development efforts.

v. Significant contribution to the national output by way of massive production of goods and services.

vi. Promotion of workers' empowerment. Many civil servants and other workers own houses, cars and other properties by virtue of being members of one cooperative society or the other.

Problems of the Small Medium Scale Enterprise

i. Lack of adequate entrepreneurship and managerial skills

ii. Absence of the enabling environment for investment in small and medium-scale industries

iii. Constrained to Access Money and Capital Markets

iv. High rate of Enterprise Mortality

v. Shortage of Skilled Manpower

vi. Financial Indiscipline

vii. Lack of Infrastructural Facilities

viii. Poor Implementation of Policies

ix. Poor Management Practices and Low Entrepreneurial Skill

x. Restricted Market Access

xi. Overbearing Regulatory and Operational Environment

Challenges of Cooperative Societies

Cooperatives the world over are in a state of flux. In almost all parts of the world, cooperatives face one or more of the following crises: crisis of ideology, crisis of capital, crisis of credibility and crisis of management (Taimni, 1997), cited by Adu (2014).

Cheney (1995) identified five challenges facing cooperatives. These are cultural transformation, competition and expansion, wage solidarity, centralization and reorganization, and programme to increase productivity and participation. Groves (1985) on the other hand, posits that one of the major problems of cooperatives is how to keep balance in the two parts of cooperative business,

efficiency and democracy since those who are charged with the operation of a cooperative chiefly the board and manager must serve two masters: the imperatives of good business practice and the social purpose of a community of people. Hence, to maintain their special character, cooperatives must be two things in one: a business organization and a social movement. This is what makes a cooperative a business enterprise with a human face and so, very difficult to manage. In striving for efficiency, cooperatives often tend to imitate other business, but in pursuing a social purpose they bring out the features, which make them different (Laidlaw, 1974). Educating, training and retraining of members in general and officers in particular are always a challenge to cooperatives especially in developing countries.

A cooperative without a strong component of education is in danger of losing its essential character, that is, the human and personal characteristics which distinguish it as a cooperative. Education is of paramount importance to the cooperative sector.

Unless all those responsible for cooperatives (directors, officers, members, staff) are well informed and knowledgeable, cooperatives are likely, in some countries, to become much like capitalist, profit-seeking business, or in other countries to become handmaids of the State. Education makes people easy to lead, but difficult to drive; easy to govern but impossible to enslave. Assuming the validity of the sector concept (the "mixed economy", as it is often called), cooperators face such questions as what type of business activity is most suitable for each of the three sectors, public, private and cooperative? Are there certain kinds of business that rightfully belong to the public sector? Are there others, which are best left to private enterprise? What kinds, ideally, are most suitable for the cooperative way of business? Are there some fields in which all three may engage and compete? Hence, one other challenge that cooperative societies face is the choice of business most suitable for the enterprise.

Another challenge facing cooperatives is

adaptation. No business in a national economic system is completely independent and self-sufficient but operates in conditions of dependence and interdependence. Both capitalist business and cooperatives depend to some extent on the State and services provided by the State (highways, water supply, the postal system, etc.). Similarly the State and public enterprise depend greatly on private enterprise, or on cooperatives. Sometimes, small businesses depend on cooperative society. Thus, cooperatives cannot be thought of as an exclusive economic system, but rather as one section of the total economy. They constantly operate in co-existence with other forms of business and sometimes in conjunction with them.

Co-operatives, therefore, have to adapt themselves by struggle in one place, by agreement in another - to the elements of a complex environment, partly free and partly organized. It must now decide what place it means to claim for itself in the new economy, either organized or in process of organization.

In addition, the cooperative sector suffers from an internal handicap of its own making: the frequent failure of various types of cooperatives to work closely together as a sector. Because of their voluntary and democratic nature, cooperatives have been reluctant to impose strict disciplines on themselves - they much prefer to act by common consent and persuasion. Often, management of cooperatives relies on relationship or is moved by sympathy to act against even the societies' bylaws. This indeed has a lot of repercussion particularly in the developing economies and is against the 6th principle of cooperatives: Cooperation among Cooperatives. The different needs of customers, members, patrons, and owners challenge the cooperative's Board of Directors and Manager to make good business decisions. Business earnings of the cooperative must be great enough to systematically rotate the investment of members, pay patronage rebate, and offer goods and services at reasonable prices or pay fair market value for customer's products. This unique business structure dictates that the manager, committee

members, and members understand the business and cooperative structure.

Theoretical Framework

Social Capital Theory

Fukuyama (2000) refer to Social capital as being an informal norm that promotes cooperation between two or more individuals, possibly those norms varying from reciprocity between two friends, even the complex doctrines like that of Christianity or Confucianism . The author states that they are not just any sets of norms that constitute social capital; they should lead to collaboration in groups. They are related to traditional virtues such as honesty, compromise, fulfillment of functions of trust, reciprocity and others related to these. Social capital theory was propounded by Lyda Judson Hanifan in (1916).

Coleman (1988) defines social capital by its function not being a sole entity, but a variety of different entities, with two common elements: all of them consist of some aspect of social structures and facilitate certain actions of the actors within the structure. According to Coleman, like other forms of capital, social capital is productive, making possible the realization of certain goals which, in their absence, would not be possible. Social capital occurs by means of changes in relations between the people who facilitate the action. If physical capital is totally tangible, of visible material form, and human capital is less tangible, for being allied to the abilities and knowledge of an individual, social capital is even less tangible, for existing in relations between people.

For Putnam (2006) social capital refers to characteristics of social organization, like trust, norms and systems that contribute to increase efficiency of the society facilitating coordinated actions". When he studied the modern Italian experience, Putnam (2006) showed social capital as based on trust and cooperation. Social capital facilitates spontaneous cooperation". Social capital works as conventional capital. In other

words, those who dispose of it tend to accumulate more each time. Capital is normally present in social relations chains, in which it is permitted to transmit and broadcast trust, transforming those social relations into guarantees.

For Vilpoux & Oliveira (2011), social capital has been used as a way to explain economic and social development besides cooperation between individuals. Social capital can arise from some social relations such as family, neighbors, friends, and professionals, among others, that possess their own characteristics, in which it is possible to highlight norms and trust.

Bourdieu (1986) states that social capital is the set of resources real or potential that are linked to the possession of a durable network of relations more or less institutionalized on mutual knowledge recognition, namely, participation in a group that is not only equipped with common properties, but also united by permanent and useful links. The volume of social capital possessed by an individual in particular depends on the extent of the network of connections that it can effectively mobilize.

This study is anchored on Social Capital Theory because it examines how human sociability to work together, to solve complex problems, and to form the organizations that make up society. The personal relationship that the members developed with each other, the more flexible and smooth will be the processes of communication, coordination, and collective decision making. The social side of cooperative organization has been generally perceived. Individual motivations for creating a cooperative group, are the following: the feelings of isolation and longing for social life and 'emotional security'; the fear of dependency and exploitation by alien social forces; difficult circumstances of life; the wish to become an active subject rather than a passive object; the wish to be a part of a stronger and larger social whole; the search for social importance; love for other people, readiness to help, sympathy, humanitarian

aspirations, religious motives; the sense of belonging to a certain neighborhood; class- or status-consciousness; the wish to follow examples and/or to innovate; habits; instincts and unclear feelings. Social capital enables the cooperative to conduct business transactions with people (producers) who have only leases, providing the full required amount of supplies for the production of this producer, with post-harvest payment. This in turn increases their sources of income and also improves their standard of living and business.

Review of Empirical Studies

Yunusa, and Joseph, (2018) studied contributions of co-operative societies to economic development in Kogi State, Nigeria. *Two research questions were formulated and posed for the study. Descriptive survey designed was adopted. Seven hundred and fifty (750) respondents were used structured questionnaire developed by the researchers. Frequency and percentages were used to answer the research questions. The findings revealed that cooperative societies have been faced with the problem of inadequate financing to loan and equipping their members. Also, that major setbacks in establishing and running co-operative societies are lack of appropriate leadership and suitable management control. The Study concluded that cooperative societies in Nigeria should make optimum use of all resources and strive continuously to enhance productivity of resources; ensure highest efficiency, while providing services to members; improve management capabilities and competencies through effective organizational designs and structures; mobilize capital and as well set greater stress on internal capital formation and accumulation.*

Oladele, Arogundade, Aribaba (2015) studied cooperative society's loan facilities and employment generation of small-scale businesses in Ondo State, Nigeria. Primary data were employed using questionnaires, while secondary data were obtained from unpublished book of accounts and old receipts of selected small-scale business entrepreneurs from selected town in

Ondo State. A total of 142 small-scale businesses registered with the National Association of Small-Scale Industrialists (NASSI), Ondo State chapter were selected. Data collected were analyzed using inferential statistical techniques. The results revealed that there was an increase in loan facilities percentage from cooperative societies resulted to about 30% increase in employment generation within the sector. The adjusted R^2 of 0.52 showed that 52% of the variations in employment within the sector were explained by the loan facilities from the cooperative societies.

Tizhe and Mambula (2017) studied the impact of Small and Medium Enterprises financing on business growth in Nigeria: A Study of Keffi and Mararaba Metropolis. Descriptive research designs as well as t-test statistics for the test of hypotheses were utilized. Hypotheses applied for the study includes: banks credits to Small and Medium Enterprises have no significant impact on growth of Nigeria economy, as well as interest rates charged on credits has no effect on Small and Medium Enterprises business expansion in Nigeria. Access to finance was found to be sine qua non for successful entrepreneurial development while in respect of interest rate charged on Small and Medium Enterprises loans and advances; the entrepreneurs' ability to borrow was not hindered.

Dungigo and Yasa (2016) studied influence of cooperative development on economic performance and welfare of society in Bali Province. Panel data which consists of 9 cities/regencies of Bali Province within the year of 2010 – 2014 were used. The data analysis that is used is the quantitative statistical analysis known as Structural Equation Modelling-Partial Least Square (SEM-PLS) method. The result found that cooperative development has positive and significant influence on welfare of society and the economic performance of Bali Province, economic performance has positive and significant influence on the welfare of society in Bali Province, as well as the cooperative development which has indirect influence on the welfare of society through the improvement of

economic performance of Bali Province.

Oreoluwa (2011) studied small and medium-scale enterprises and economic growth in Nigeria an assessment of financing options. The contribution of Small and Medium Scale Enterprises (Small and Medium Enterprises) has been recognized as main sustenance of the economy because of their capacity in enhancing the economy output and enhance human welfare. Although, the Small and Medium Enterprises lack of access to relative cheap and effective source of finance have been identified as the major factors hindering their contribution to economic growth. The Spearman's Rho correlation test was employed to determine the relationship between Small and Medium Enterprises financing and investment level. The analysis reported a significant Rho value of 0.643 at 10%. This indicated that there is significant positive relationship between Small and Medium Enterprises financing and economic growth in Nigeria via investment level. Descriptive statistics were also used to appraisal certain financing indicators. Accessibility to relative low interest rate finances should be provided to small and medium enterprises in Nigeria in order enhance economic growth.

Antai, & Anam, (2013) investigated economic impact of cooperative societies on small-scale business development and poverty reduction in Cross River State and found that *one promising type of small enterprise is the cooperative society. By pooling resources and functioning as a unit, a group of producers or consumers can operate at a more efficient scale and share the benefits. They may decide to buy in large quantity, or store and ship produce to more profitable markets, for example.*

Aribaba, (2012) investigated the effect of funds provided by Cooperative Thrift and Credit Societies on the performance of small-scale businesses in Nigeria. Primary data involving the administration of questionnaire was utilized administered to 20 CTCS randomly selected leaders from each of the six major towns in Ondo State, namely, Akure, Ikare, Irele, Okitipupa, Ondo, and Owo; totaling 120. Also, copies of

questionnaire were administered to 240 entrepreneurs that are Cooperative members from each of the six towns. Data collected were analysed using descriptive statistics. The result of the study showed that CTCS funding has affected positively the performance of small-scale businesses: the small-scale business performance F-test and its level of significance which were used in the analysis showed that current liabilities was significant ($F=9.78$, $p<0.05$); Fixed assets was significant ($F=8.20$, $p<0.05$); and current assets was significant ($F=10.92$, $p<0.05$) and concluded that membership of CTCS by entrepreneurs had a positive impact on the performance of small-scale businesses in Nigeria.

studied small and medium scale enterprises and employment generation in Nigeria: The Role of Finance. Binomial logistic regression analysis was employed as tools for statistical analysis. Observation showed that the sector was unable to achieve this goal due to its inability to obtain adequate business finance for the sector. It was observed that virtually all the Small and Medium Enterprises that were sampled relied on the informal sources of finance to start their business. As a way out, the study suggests the need for the integration of the activities of the formal with that of the informal financial institutions. Also, government should as a matter of urgency, provide the needed infrastructure such as roads, water, electricity and the needed enabling environment and concluded that these efforts will reduce the cost of doing business, increase retained earnings of the Small and Medium Enterprises, their average monthly income and poverty on the long run.

Akerele & Adekumbi (2018) who studied impacts of Cooperative Thrift and Credit Facilities on members' business output in Ogun State, Nigeria affirmed that cooperatives play an important role in facilitating access to credit, procurement and storage distribution of input and marketing of products. They create employment opportunities particularly in the rural areas and allow disadvantaged groups to be organized for social and economic benefit. Multistage random

sample was used to sample one hundred and eight (108) cooperative members. Data collected were analyzed using descriptive tools, budgetary analysis, logit and multiple regression model. The findings showed that majority (50.9 percent) of the cooperators was male, 77.8 percent were married, and 59.3 percent were Christians, while 98.1 percent were educated. Majority (87.9 percent) had experience ranging from 1–10 which is good in business.

The total variables cost from business was estimated at N70, 983.47, total fixed cost was N276, 271 and this accounted for only 79.56 percent of the total cost. Returns on Investment (ROI), Profitability Index (PI), Return on Variable Cost (RVC) and Operation Ratio (OR) were 181.62%, 0.63, 173.42% and 0.21 respectively. Also some (48.1 percent) of the respondents enjoyed loan benefit, while 40.7 percent enjoyed business improvement benefit. The results showed that startup capital, labour and credit obtained were significant to cooperative members' access to credit. The result revealed that majority (72.2 percent) of the respondents suffered from non-remittance of deduction by the government as their own challenges. The study concluded that cooperative credit societies is very productive and effective in helping members achieving their goals and also improve their standard of living.

Rasak, (2012) studied small and medium-scale enterprises (Small and Medium Enterprises) A Panacea for Economic Growth in Nigeria and affirmed that *the emergence of small and medium scale enterprises (Small and Medium Enterprises) is a major catalyst and a key success factor for the development, growth and sustenance of the Nigerian economy. Most government and business circles have come to recognize the importance of small and medium scale enterprises (Small and Medium Enterprises) and have consequently agreed that their growth constitutes one of the corner stones of economic development. The study was guided by network theory. The major concern of the theory is the objective pattern of ties linking the agencies, individual and*

group of the society. The agencies in this study include banks, cooperative societies, and government, among others. Quantitative and qualitative method was used to collect data for the study. Fifty (50) samples of respondents were selected from the Local Government Area. The data gathered was analyzed using descriptive statistics such as frequency distribution, while the qualitative data was subjected to content and descriptive analysis.

Otto & Ukpere, (2011) studied credit and thrift co-operatives in Nigeria A potential source of capital formation and employment. The researcher found that unemployment is a major challenge in Nigeria and many other developing countries. There is unemployment among professionals and non-professionals alike, there is unemployment among young school graduates, experienced professionals, tradesmen, and non-skilled workers in Nigeria. The consequences of unemployment in Nigeria are grave and may be classified as social and private. They include increase in crime rates, loss of potential output, poverty, and loss of potential tax revenue, professional studentship and family instability. In Nigeria, as in some other developing countries, job losses by households' heads have negatively affected some homes, leading to family disintegration. Unemployment can explain the rising trends of female-headed households in Nigeria. One major source of unemployment in Nigeria is insufficient capital for investments. The Harrod-Domar (neo-classical) theory encourages savings as a source of capital formation for investments with the consequent employment generation. They identifies co-operative credits and thrift associations as a veritable source of capital formation which is required for investment purposes. The thrift cooperative as a micro finance agency is also a direct source of employment for those engaged in its management or coordination. studied services of small and medium enterprises development Agency of Nigeria (SMEDAN) and small business survival in Ogun State, Nigeria. They found that *there is serious unemployment and dwindling fortunes of small and medium scale*

businesses all over Nigeria. One hundred and forty (140) questionnaires were administered, 135 were returned representing 96.4% response rate. Twenty-seven (27) respondents were officials of Ogun State Cooperative Federation Limited (OGSCOFED), while the remaining One hundred and eight (108) were cooperative members who were owners of small businesses in the State. With a Cronbach coefficient of 0.902, the internal consistency and reliability of the questionnaire was confirmed, while the data were analyzed using inferential and descriptive statistics such as simple percentages, rating indices, and the Students t distribution. The study revealed that the services of SMEDAN did not significantly enhance the survival of cooperative-financed small businesses in Ogun State within the study period of 2005–2010.

Oyeka (2016) studied a review of the causes and effects of disparities in global financial performances of cooperative societies and affirmed that there is no doubt that cooperative societies have attracted little attention from both the public and private sectors. This is not the case in industrialized countries such as Denmark, USA, Great Britain, etc; where they have contributed immensely to the GDP of their respective economies. A review by various scholars of the various ways of financing cooperatives in Nigeria reveals that there is no adequate nation-wide financing agency. The methodology used is the content analysis. Historical (secondary data) such as journals, articles, textbooks, newspapers and Internet etc were employed.

Ogisi, Oghotomo, Tarurhor & Inoni (2007) investigated the impact of cooperative societies on the development of small-scale furniture and tailoring enterprises in Delta State. Four hundred and twenty (420) small-scale tailoring and furniture in 9 major towns in Delta State served as the sample respondents. The data gathered were analyzed using descriptive statistics as well as chi-square. The result indicated that cooperative societies play a significant role in the growth and development of small-scale tailoring and furniture

enterprises in Delta State. There was also found a positive relationship between cooperative loans and increase in workforce. However, it was reported that cooperative societies do not enhance the development of entrepreneurial skills in small-scale enterprises in Delta State.

Kareem, Arigbabu, Akintaro and Badmus (2012) investigated the impact of Co-Operative Society on Capital Formation. It was a case study of Temidire Cooperative Thrift and Credit Society, Ijebu-Ode, Ogun State, Nigeria. The society was especially chosen because of its size and recognition in the town. Copies of structured questionnaires were served to Fifty (50) out of Seventy-five (75) members of the Temidire Cooperative and Thrift Society. The result indicated that cooperative societies play a significant role in capital formation and in turn the development of members' socio-economic base.

Nwankwo, Ewuim and Asoya (2012) examined the contributions of cooperative society to small and medium scale enterprises (Small and Medium Enterprises) development in Nigeria and concluded that cooperative societies from their antecedents have not only contributed to the development of small scale business but are in themselves small-scale business through the promotion of entrepreneurial development, funding, provision of entrepreneurship, promotion of establishment of small-scale industries, promotion of smallholder agriculture.

RESEARCH METHOD

Research Design

This study investigated the relationship between cooperatives and the performance of small and medium enterprises in Oyo State, Nigeria. The research design adopted for this work is the descriptive survey research design. This design is appropriate because it will not be practicable to study the entire population. In this design, a group of items are studied by collecting and analyzing data from a few members considered being a representative of the entire group (Michael, Des-Oparaku & Oparaku, 2012).

Area of the Study

This study covered the cooperative societies in the three senatorial districts of Oyo State. Oyo State has thirty-three (33) Local Governments. Ibadan is the capital of the state and the population of the State stood at 5.59 million as at last census of 2006. The State is one of the six States in the South-Western Nigeria. The State which bears the sobriquet, the “Pace-Setter State” came in existence consequent upon States creation exercises embarked upon since Nigeria's independence in 1960. The State has an area of approximately 27,249 square kilometers of land mass and it is bounded in the South by Ogun State and in the North by Kwara State. To the West, it is bounded by Ogun State and partly by the Republic of Benin, while in the East; it is bounded by Osun State.

Population of the Study

The population is made up of members of registered and functional cooperative societies in selected towns in Oyo State. There are five zones in Oyo State (Ibadan Zone 1, Ibadan Zone 2, Ogbomoso, Oke Ogun Zone 1, Oke Ogun Zone 2). The total number of cooperatives in Oyo State is three thousand, nine hundred and eighty-six (3,986) with a membership strength of fifty-seven thousand, four hundred and seventy-eight (57,478) in Oyo state which served as the population of the study.

Source: (Department of Cooperative Service, Ministry of Trade, Industry and Cooperative, Ibadan Oyo State, 2018).

Sample Size Determination

A sample is a small group of elements or subjects drawn through a definite procedure from a specified population (Onyeizugbe, 2012). The sample size for this study was statistically determined using Taro Yamane formula for a finite population. The formula is given as:

$$n = \frac{N}{1 + N (e)^2}$$

Where: n= the sample size

N = the finite population

e = level of significance (at 0.05 or 5% level of significance)

N = 57,478, e = 0.05

$n = 57,478 / 1 + 57,478 (0.05)^2$

$n = 57,478 / 1 + 143.7 = 397$ n = 397

Therefore, the sample size is 397

Out of the 397 copies of questionnaires that were distributed, 263 (66.3%) copies of the questionnaires were filled and returned, while 134 (33.70%) copies of the questionnaires were not returned. For the purpose of allocation of sample stratum, the researcher adopted R. Kumaison's formula. Below is the R. Kumaison's formula for sample size distribution which is given:

$$n_h = \frac{nN_h}{N}$$

Where n = Total sample size

N_h = The number of items in each stratum in the population

N = Population size

n_h = The number of units allocated to each stratum

n = 397

- Oyo West** $397 \times 3878 / 57478 = 27$,
- Oyo Central** $397 \times 3860 / 57478 = 27$,
- Oyo East** $397 \times 3850 / 57478 = 27$
- Ibadan North** $397 \times 3350 / 57478 = 24$,
- Ibadan South West** $397 \times 3320 / 57478 = 23$
- Ibadan North East** $397 \times 3780 / 57478 = 27$
- Ogbomosho South** $397 \times 3450 / 57478 = 24$,
- Ogbomosho North** $397 \times 3950 / 57478 = 28$,
- Surulere** $397 \times 3790 / 57478 = 27$
- Ibarapa East** $397 \times 3960 / 57478 = 27$,
- Ibarapa North** $397 \times 3960 / 57478 = 27$,
- Ibarapa Central** $397 \times 4100 / 57478 = 28$
- Saki East** $397 \times 3900 / 57478 = 27$,
- Saki West** $397 \times 3750 / 57478 = 27$,
- Atisbo** $397 \times 4000 / 57478 = 28$ **397**

Sampling Procedure

Multi-stage sampling technique was used to determine the actual sample of the study. This was carried in four stages. According to Chukwuemeka (2002), multi-stage sampling is somewhat the combination of other sampling techniques. The first stage was the random

selection of two cooperative zones (Ibadan zone 1 & Ogbomosho zone) from the five zones (Ibadan zone 1, Ibadan zone 2, Ogbomosho zone, Oke Ogun zone 1, Oke Ogun zone 2) using simple random sampling. In the second stage, judgmental sampling was used to select five local governments (Oyo, Ibadan, Ibarapa, Ogbomosho, Saki) as advised by the Cooperative Field Officers at the Department of Cooperative Services, Ministry of Trade, Industry and Cooperatives, Ibadan Oyo State and also because these Local Governments consist of entrepreneurs in Oyo State. In third stage, simple random sampling was used to select three towns each from each of the five selected Local Governments in the zones making a total of fifteen towns. In the fourth stage, simple random sampling technique was again used to select two Cooperative Societies from each of the fifteen towns making a total of thirty (30) Cooperative Societies and based on the 397 copies of questionnaires that were administered to Cooperative members, 263 copies of questionnaire were retrieved (**Table 1.1.1**).

Table 1.1.1: Zonal categories/ Proportional Sampling of Respondents

S/N	Name of societies	LGA	Zones	Total Distributed	Total Retrieved
1.	Ilora (Afijo) Karowosayo C.I.C.S Ltd	Oyo East	Oyo	13	9
2.	Ilora (Oyo) Ike Olu C.I.C.S Ltd	Oyo East	Oyo	12	6
3.	Ilora (Oyo) Irewolede C.I.C.S Ltd	Oyo East	Oyo	15	10
4.	Isale-Oyo (Oyo) Iwajowa C.I.C.S Ltd	Oyo East	Oyo	10	7

5.	Kosobo (Oyo) Ogo Oluwa C.I.C.S Ltd	Oyo East	Oyo	16	10
6.	Oyo East Staff C.I.C.S Ltd	Oyo East	Oyo	16	8
7.	Saki Agbegbemi Fmcs Ltd	Saki East	Saki	15	10
8.	Saki Ife Aanu C.I.C.S Ltd	Saki East	Saki	14	10
9.	Saki Ifelodun Carpenters CTCS Ltd	Saki East	Saki	16	9
10.	Saki Vulcanizer CICS Ltd	Saki East	Saki	10	10
11.	Ajegunle Saki Kajola C.I.C.S Ltd	Saki East	Saki	13	10
12.	Olorunsogo Saki CTCS Ltd	Saki East	Saki	12	4
13.	Ogbomoso Oluwadamilare C.I.C.S Ltd	Ogbomoso	Ogbomoso	12	10
14.	Oke Obadare (Ogb) Irewumi CICS Ltd	Ogbomoso	Ogbomoso	10	10
15.	Randa (Ogb) Ajesowapo C.I.C.S Ltd	Ogbomoso	Ogbomoso	14	7
16.	Aaje (Ogb) Isokan CICS Ltd	Ogbomoso	Ogbomoso	16	9
17.	New Era (Lautech) C.I.C.S Ltd	Ogbomoso	Ogbomoso	10	10
18.	Ogbomoso Oluwatofunmi CICS Ltd	Ogbomoso	Ogbomoso	12	8
19.	Ibarapaeast LG STAFF C.I.C.S Ltd	Ibarapa East	Eruwa	16	7
20.	Oke-ogun Charcoal Fmcu Ltd	Ibarapa East	Eruwa	10	10
21.	Polyasup Ekolagba Staff C.I.C.S Ltd	Ibarapa East	Eruwa	16	10
22.	Sango (Eruwa) Ayomide NUT CICS Ltd	Ibarapa East	Eruwa	12	6
23.	Sango (Eruwa) Ekodayo NUT CICS Ltd	Ibarapa East	Eruwa	14	9
24.	Lanlate Ifesowapo NUT CICS Ltd	Ibarapa East	Lanlate	12	8
25.	Mokola Blessed NUT C.I.C.S Ltd	Ibadan North	Ibadan	13	10
26.	Social Welfare (Ib) C.I.C.S Ltd	Ibadan North	Ibadan	15	10
27.	Academic Staff (Poly-Ib) C.I.C.S Ltd	Ibadan North	Ibadan	18	9
28.	Iwo Road (Ib) Surulagba Women C.I.C.S Ltd	Ibadan North East	Ibadan	10	10
29.	Poly (Ib) Community C.I.C.S Ltd	Ibadan North East	Ibadan	12	9
30.	Liberty NUT C.I.C.S Ltd	Ibadan North East	Ibadan	13	8
	Total			397	263

Source: Field Survey, 2022

Description of Data Collection Instrument

The study made use of primary and secondary sources of data which was collected through the use of self-administered questionnaire that was distributed to the eligible respondents in the study area. The eligible respondents are residents of Oyo State who are operating small and medium-scale businesses and equally belong to a registered cooperative society. Since the study investigate the influence of Cooperative Society on the performance of Small and Medium Enterprises (Small and Medium Enterprises) in Oyo State, Nigeria, sampling those respondents with Small and Medium Enterprises, and then measure the influence of Cooperative Society on the establishment and performance. The main issues were structured on a five point likert scale. That is Strongly Agree (5-SA), Agree (4-A), Undecided (3-UD), Disagree (2-D) and Strongly Disagree (1-SD).

Validation of Instrument

In order to validate the instrument (questionnaire), the researcher used face and content validity. Face validity judges the face value of the instrument whether the instrument covers the topic which the researcher worked on or not, while the content validity judges the extent to which the instrument (questionnaire) provides an adequate coverage of the topic under study (Onyeizugbe, 2013).

Reliability of Instrument

This is the degree to which a test consistency measures what it measures. This was tested during piloting. The test was conducted on enterprises from each cooperative in order to enable the researcher identify sections of the research instruments that required improvement in order to give the best results. The research instruments were very reliable.

Method of Data Analysis

The quantitative data analysis was done using Statistical Package for Social Science (SPSS 20). At the first level of analysis, descriptive analysis using simple descriptive statistics and percentages was done to describe the background of the

respondents. At the second level of analysis, Pearson correlation analysis was used to test association between the independent variables and the numeric dependent variable as appropriate. At the third level of the analysis, binary logistic regression model (for dependent variable with categorical and binary/dichotomous outcome) and multiple regression models (for dependent variable with numeric and continuous nature) was used to test the effect of the independent variables on the dependent variable, Statistical Package for Social Sciences (SPSS 20) was used to test hypothesis. The general form of the binary logistic regression model is given as

$$\ln(\text{ODDS}) = \ln(Y/1-Y) = a + bX$$

Where Y is the predicted probability of the event which is coded 1 if yes and 0 if no (for example, "Has Cooperative Society been useful to the growth of your small and medium enterprises?"). X is a predictor variable, while "a" is the constant.

Multiple regression model function is of the form:

$$Y_i = \beta_0 + \beta_1 (x_1)_i + \beta_2 (x_2)_i + \beta_3 (x_3)_i + \dots + \beta_K (x_K)_i + \epsilon_i$$

Where, Y_i is the outcome variable and in this case performance operationalised as profit accruable to the small and medium enterprises, x_i 's are the independent or predictor variables (e.g. access to fund through Cooperative Society, and background characteristics of the respondents etc.), the coefficients (the β 's) are non-random but unknown quantities. The noise terms $\epsilon_1, \epsilon_2, \epsilon_3, \dots, \epsilon_n$ are random and unobserved. Moreover, we assume that these ϵ 's are statistically independent, each with mean 0 and (unknown) standard deviation σ .

DATA PRESENTATION AND ANALYSIS

Test of Hypotheses

Test of Hypothesis I

H_{01} : Cooperative Societies activities have not significantly enhanced the survival of small and medium scale businesses in Oyo State.

ANOVA was used to ascertain statistically if cooperative societies have significantly enhanced the survival of small and medium scale business. The parameters at 5% significant level, the result is shown in Table 1.1.

Survival of small and medium scale business	Sum of square	Df	Mean Square	F	Sig.
Regression	7119	7	1017	6.758	0.000 ^b
Residual	3.838	255	1504		
Total	4.550	262			

Source: Author computation using SPSS version

The results revealed that F. value is 6.758 and is significant. The implication is that there is significant difference within the business of cooperative entrepreneur within the year stipulated. This mean that cooperative significantly enhanced the survival of small and medium-scale businesses in Oyo State. Thus, reject H_0 because of the significant difference.

Test of Hypothesis II

H_{02} : Challenges affecting the contributions of Co-operative Societies has no significant effect on small and medium scale enterprise in Oyo State

ANOVA was used to determine how statistically significant the challenges affecting the contribution of co-operative societies has significantly affect small and medium scale enterprise in Oyo State. The parameters at 5% significant level, the result is shown in Table 1.2.

Table 1.2: Challenges affecting the contribution of co-operative societies have no significant effect on small and medium scale enterprise in Oyo State

Challenges of cooperative and small and medium scale enterprise	Sum of square	Df	Mean Square	F	Sig.
Between groups	4294	4	1073	0.032	0.998
Within groups	8.612	258	3.338		
Total	8.617	262			

Source: Author computation using SPSS version

Based on the **Table 1.2** it was discovered that the F value is 0.032 and not significant at 5% level of significance. It shows that the challenges facing cooperative has significantly affected the small and medium scale enterprise in the study area in one or the other. Thus, the government need give necessary aid to the societies' challenges so as to care well for the beneficiaries. From the result, thus, H_{02} :that says challenges affecting the contributions of co-operative societies has no significant effect on small and medium scale enterprise in Oyo State is thereby rejected.

Decision Rule: reject the null hypothesis (H_0) if calculated ANOVA value is greater than the tabulated value at 5% confidence level (that is,

$(X^2_{cal}) > (X^2_{tab})$; otherwise, we fail to accept H_0 .

Discussion of Findings

This study ascertained the nexus between cooperative societies and small and medium scale enterprise in Oyo State. The independent variable (cooperative) was proxied by cooperative credit, low interest rate, education and training, cooperative extension services, while small and medium-scale enterprise measured by cooperative capability in job creation, income generation and live hood improvement served as the dependent variable.

The results for hypothesis I revealed that F. value is 6.758 which is significant. This implies that there is significant difference within the business

of cooperative entrepreneur within the year stipulated. This means that cooperatives enhanced their business in Oyo State at 5% level of significance.

Based on the **Table 1.2** it was discovered that the F value is 0.032. It shows that the challenges facing cooperative has significantly affected the small and medium scale enterprise in Oyo State.

The findings of this study support the result of Adekunle & Henson, (2007), Ogisi, Oghotomo, Tarurhor & Inoni (2007), Aribaba (2012), Nwankwo, Ewuim and Asoya (2012) , , Akerele, Adekunmbi (2018), Yunusa, Joseph (2018).

Summary of Findings

From the data analysis and results in the preceding above, the findings are as follows:

Cooperative society's activities have significantly enhanced the survival of small and medium scales business in Oyo State 5% level of significance.

The challenges' affecting the contributions of cooperative societies has significant effect on small and medium scale enterprise in Oyo State at 5% level of significance.

There is significant positive effect of fund provided by cooperative societies on the profit after membership of cooperative society by small and medium scale business entrepreneurs.

Factors affecting small and medium scale enterprise in Oyo State to access cooperative credit facilities as positive effect.

Conclusion

This study assessed the influence of cooperative societies on the performance of small and medium enterprises in Oyo State. The independent variable for this study is to access the benefit derived from Cooperative Societies for the purpose of enhancing the performance of Small and Medium Enterprises in the study area, while the other independent variables will include background information of the eligible respondents and other relevant information about Cooperative Society in the study area. The dependent variable for this study are, the relationship between cooperative societies and

Small and medium scale business enterprises, in what way Cooperative societies assist Small and Medium Enterprises, what are the economic influence of co-operative societies on Small and medium scale business enterprises, How does the influence of socio-economic characteristics of cooperative members on business profit and what are the challenges hindering the performance of cooperative member's small and medium scale enterprises. This study utilized primary data basically, which were extracted from the questionnaire distributed to 263 members of cooperative society in Oyo State. With the aid of Statistical Package for Social Sciences (SPSS) version 20, descriptive statistics was carried out. while Pearson correlations were employed. This study revealed that there is significant difference within the business of cooperative entrepreneur in Oyo State. This means that cooperative enhanced their business in the State and elsewhere must take advantage of cooperative influence on small and medium scale enterprises.

Recommendations

Based on the findings above, the following recommendations were made;

Cooperative societies activities have significantly enhanced the survival of small and medium scales business, it is suggested that government should complement the effort of cooperatives by extending soft loans to them through micro finance banks.

The challenges' affecting the contributions of cooperative societies has significant effect on small and medium scale enterprise in Oyo State. Therefore, non-governmental organizations and the tiers of government should train and equip cooperators with entrepreneurial skills through seminars, workshops and symposia so as to assist them with the necessary skills to establish, manage, sustain and expand their business outfits.

Contribution to knowledge

This work has contributed to the body of knowledge in the following ways:

Firstly, the predominant focus of prior studies on this theme has been carried out in some States but did not cover Oyo State. This present study covered the geographical gap by examining the influence of cooperative societies on the performance of small and Medium Enterprises in Oyo State, which prior works are yet to consider.

Secondly, this study considered four cooperative measures, which are; cooperative credit, cooperative inputs, cooperative training and services, and marketing and its relationship with small and Medium Enterprises.

Thirdly, this study decomposed the dependent variable into three (Job creation, Income generation and Livelihood improvement).

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